



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

DATE: November 12, 2019

TO: State Tax Commission

VIA: David A. Buick, Executive Director

FROM: Classification Appeal Review Panel

SUBJECT: Classification Reconsideration: 19-003

STAFF RECOMMENDATION: Parcel Remain Classified Residential Real

The State Tax Commission (hereinafter "STC") received a request for reconsideration from your October 14, 2019 classification appeal determinations. On November 6, 2019, Staff received Mr. Hoffman's request for reconsideration. As you are aware, STC policy indicates that in order to request reconsideration a taxpayer must do so within twenty-one (21) days of the date of the determination and provide new information not previously considered by the Commission.

Mr. Hoffman requests the Commission reconsider the classification appeal for the following reasons: (1) "[t]he procedure followed by the Commission's staff in my appeal contains omissions of disclosures that have prejudiced my ability to adequately present all information relevant and necessary to address and to contest the Staff recommendations adopted by the Commission, and resulting in the Commission's Decision," (2) "[m]y Farm Property, including Subject Parcel, is Agricultural Real Property that includes parcels used wholly for agricultural operations," (3) Oakland County Equalization's "Records and [Michigan Tax Tribunal's] 2018 Ruling Acknowledge Agricultural Classification," (4) "[t]he Ranch House and the small bunk house (referred to in the Summary as 'Second Home' and 'Third Home', [sic] respectively) as well as my home, are Related Farm Buildings therefore pursuant to MCL 211.34c(i) meet the definition of agricultural outbuildings which are buildings or structures primarily used for agricultural operations," (5) "[t]he Summary and resulting Decision erred in attributing 8 acres to residential use on the Subject Parcel," (6) "[t]he Summary and resulting Decision has erred in the evaluation of the 'Building 1, Section 1, and Building 1, Section 2', [sic] both as to the building class and as to the application of the cost tables; as well as other assessing valuation errors; and such errors, upon correction, results in a determination that the classification that most influences the total valuation of the Subject Parcel is Agricultural Real," and (7) "[t]he Summary and resulting Decision erred in adopting a commercial value calculation for the Two Story Winery Connected to Arena."

Staff has reviewed the request for reconsideration, along with the exhibits supplied by Mr. Hoffman, and determined that much of the information offered in support of the request for reconsideration was previously submitted, reviewed, and considered in connection with the original classification appeal. As a result, only that information which was not previously considered by the Commission will be discussed.

On July 1, 2019, Staff requested that Oakland County Equalization respond to the classification appeal filed by Mr. Hoffman and provide the completed Form 2168, verification of the appeal to the 2019 March Board of Review, the property's appraisal record card, and documents indicating the current pricing of land and improvements. In response, Oakland County Equalized provided the Commission with a completed Form 2168, Notice of March Board of Review Change, Property Record Card and Valuation Report for the subject parcel for the 2019 tax year, letter from Oakland County Equalization to the State Tax Commission, dated August 30, 2018, requesting assistance in the Principle Residence Exemption/Agricultural Exemption status of the subject parcel, a memorandum from Staff to the STC Executive Director following the August 30, 2018 letter from Oakland County Equalization, photographs of the subject parcel, a copy of MCL 211.34c, and copies of the Final Opinion and Judgment, Order Granting Respondent's Errata Request, Order Denying Petitioner's Motion for Reconsideration for *Robert J Hoffman v Highland Township* MTT Docket Nos. 18-003570 & 18-003579. This request was sent in the normal course of processing the classification appeal as Oakland County Equalization was the assessor of record at the time the classification appeal was received by the Commission and Oakland County Equalization determined the classification of the subject parcel for the 2019 tax year.

On July 23, 2019, Staff also received a completed Form 2168 from Jennifer Angle stating that she was the "new assessor to Highland [Township] as of July 1, 2019." Ms. Angle provided the Notice of March Board of Review Change, copy of Petition to the Board of Review for the 2019 tax year, photographs of the subject parcel, and a copy of the subject parcel's 2019 property record card and valuation report. This same information had been requested by Staff following receipt of Mr. Hoffman's Form 2167.

Staff has concluded that Mr. Hoffman's ability to pursue this appeal was not prejudiced in any way. Despite Mr. Hoffman's claim, the information provided by Oakland County Equalization did not prejudice his ability to present his classification appeal. The information presented by Oakland County Equalization largely mirrored the information provided himself or the new assessor. Staff has no record of any request from Mr. Hoffman for copies of the documents offered by either Oakland County Equalization or the new assessor. As such, Staff concludes that Mr. Hoffman was never denied access to Oakland County Equalization's response to the classification appeal.

Mr. Hoffman failed to provide any evidentiary support to justify his claim that the Commission erred in attributing eight (8) acres to the residential use of the subject parcel. While Mr. Hoffman provided an aerial photograph, labeled as Exhibit 1, with his own delineation of where the residential use for each improvement ends. Without any documentary or photographic support for this allegation, Mr. Hoffman has failed to persuade Staff that the eight (8) acres attributed to residential use was done in error.

Mr. Hoffman also contends that the Commission erred in valuing the commercial valuation calculation and cites the Court of Appeals opinion in *Rentschler v Township of Melrose*, 322

Mich App 113; 910 NW2d 711 (2017), to support his reading of the phrase “commercial purpose” in MCL 211.34c(2)(b)(i). According to Mr. Hoffman, in order to be classified as commercial property, the property must be used in a profit-making activity. Mr. Hoffman asserts that he’s consistently maintained that “the limited wine tasting activity is not a for profit undertaking” and is “only an attribute to enhance the ambiance for the humans who are raising, boarding and training horses” at the property.

While the case cited by Mr. Hoffman involved a denial of a principal residence exemption, rather than a real property classification dispute, the opinion fails to support Mr. Hoffman’s claim. Specifically, the Court of Appeals addressed the issue of the definitions contained in MCL 211.27a(11), especially the phrase “commercial purpose” and provided as follows:

The other statutory provision cited by the Tribunal is MCL 211.27a(11), which defines “commercial purpose” as “used in connection with any business or other undertaking intended for profit, but does not include the rental of residential real property for a period of less than 15 days in a calendar year.” *However, that definition, by its own terms, is limited to MCL 211.27a.* (Emphasis added).

Given the Court’s refusal to extend the definition of commercial beyond MCL 211.27a, Staff finds that Mr. Hoffman’s assertion that the property must be used for profit in order to be classified commercial property lacks merit.

With respect to the claim that the additional residential structures should be considered agricultural outbuildings and not included in the valuation of residential component of the subject property, Mr. Hoffman request for reconsideration acknowledges that these structures are used for residential purposes. MCL 211.7dd specifically defines terms associated within MCL 211.7cc (Principal Residence Exemption) and MCL 211.7ee (Qualified Agricultural Exemption). In other words, MCL 211.7dd(d)’s definition of “qualified agricultural property” is for the purposes of the qualified agricultural exemption authorized by MCL 211.7ee and not the property’s classification under MCL 211.34c. MCL 211.4c(2)(e)(i) identifies the residential real property classification as “[p]latted or unplatted parcels, with or without buildings, and condominium apartments located within or outside a village or city, *which are used for*, or probably will be used for, *residential purposes.*” (Emphasis added).

In rendering the recommendation for the above-referenced appeal, staff relied on published guidance from the State Tax Commission in making a classification determination under MCL 211.34c when a property has more than one use. The Commission directed that “[a] property cannot have more than one classification. MCL 211.34c(5) states that if the total usage of a parcel includes more than one classification, the assessor shall determine the classification that most significantly influences the total valuation of the parcel.”

Therefore, Staff recommends that the reconsideration request be denied and parcel 11-01-201-001 remain classified Residential Real.



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RACHAEL EUBANKS
STATE TREASURER

DATE: November 12, 2019
TO: State Tax Commission
VIA: David A. Buick, Executive Director
FROM: Classification Appeal Review Team
SUBJECT: Classification Reconsideration: 19-004

STAFF RECOMMENDATION: Parcel Remain Commercial Real

The State Tax Commission (hereinafter "STC") has received a request for reconsideration from your October 14, 2019 classification appeal determinations. As you are aware, STC policy indicates that in order to request reconsideration a taxpayer must do so within 21 days of the date of the determination and provide new information not previously considered by the Commission.

Mr. and Mrs. Gray requested that the Commission reconsider their request to change the classification of the subject property from commercial real to residential real. As part of the initial appeal, the taxpayers previously provided documentation that the property is improved with seasonal cottages that are used as residential property. At the October 14, 2019 State Tax Commission meeting, the Commission determined that the primary use of a property was to generate income similar to a motel and the property should be classified commercial as described in the STC Property Classification Guidelines of December 2013. The request for reconsideration simply reiterated that the taxpayers reside on the property year-round and the cottages are only occupied during the summer. Mr. and Mrs. Gray did not provide any additional support for their claim that the property is not used for commercial purposes. As such, Staff recommends the Commission retain the classification determination of Commercial Real.

Staff recommends parcel 76-261-031-100-100-00 remain classified Commercial Real.

2020 Report of Assessment Roll Changes and Classification

INSTRUCTIONS: Assessing officers are required to report the total assessed value for each class of property and the assessment roll changes for each class of property for County and State Equalization. This form is issued under authority of PA 206 of 1893. This report shall be signed by the assessing officer and filed with the State Tax Commission and the County Equalization Department immediately following adjournment of the Board of Review - Administrative Rule 209.26(6b). **REPORT ONLY ASSESSED VALUES ON THIS FORM.**

County				City or Township (Indicate which)		
Real Property	Parcel Count	2019 Board of Review	Loss	+ or (-) Adjustment	New	2020 Board of Review
100 Agriculture						
200 Commercial						
300 Industrial						
400 Residential						
500 Timber - Cutover						
600 Developmental						
800 Total Real						
Personal Property	Parcel Count	2019 Board of Review	Loss	+ or (-) Adjustment	New	2020 Board of Review
150 Agriculture						
250 Commercial						
350 Industrial						
450 Residential						
550 Utility						
850 Total Personal						
Total Real and Personal	Parcel Count	2019 Board of Review	Loss	+ or (-) Adjustment	New	2020 Board of Review
Informational Items						
No. of Exempt Parcels:		Amount of 2020 Loss from Charitable Exemption granted for first time in 2020 under MCL 211.7o:				
CERTIFICATION						
I hereby certify that all the information contained within this document is true and accurate to the best of my knowledge, information and belief.						
Assessing Officer Signature			Date	Assessing Officer Printed Name		Certification Number

The completed form must be signed by the local unit assessor who is the assessor of record with the State Tax Commission. The form may be submitted in one of the following manners:

- 1) Mail the ORIGINAL completed form, with the ORIGINAL assessor of record signature to the State Tax Commission, PO Box 30471, Lansing, MI 48909
- 2) E-mail the completed form with the assessor of record signature to **Equalization@michigan.gov**.

The assessor must submit the first copy of the completed form to the County Equalization Department. The form is to be reviewed and approved by County Equalization. If there are errors found by County Equalization, the errors are to be corrected and a revised copy is to be immediately submitted to the State Tax Commission.

The assessor of record must retain a copy of the completed form. If after submitting the completed form to the State Tax Commission and County Equalization, the assessor of record discovers there are errors within the form, the assessor of record shall correct the form and submit the revised copy to the County Equalization Department. The revised form must be identified as a revised copy. Once the revised copy is reviewed and approved by County Equalization, the revised copy must be immediately submitted to the State Tax Commission.

INSTRUCTIONS FOR FORM 607 (L-4022)

Public Act 381 of 1978 prescribes six real property and five personal property classifications.

REAL PROPERTY: Agricultural (Ag.), Commercial (C.), Industrial (Ind.), Residential (R.), Timber - Cutover (T.C.) and Developmental (D.). These Real Property classes are equalized separately.

PERSONAL PROPERTY: Agricultural (Ag. P.), Commercial (C.P.), Industrial (Ind. P.) Residential (R.P.) and Utilities (Util. P.). All classes of Personal Property are equalized together as one class.

Each assessing officer must report total assessed value, assessed value of losses, assessed value of adjustments and new assessed value for each class of property. All entries are to be the assessed values as approved by the Board of Review. Form 606 (L-4021) and supporting Form 607 (L-4022) shall be filed with the County Equalization Director for review and audit by the State Tax Commission

REAL PROPERTY

NEW — Assessment increases because of added true cash value not accounted for in the starting ratio on Form 603 (L-4018R), including:

1. Description on roll for first time or returned from exempt status.
2. Building or other improvement put on description.
3. New additions and improvements.
4. Further completion of new construction. (For example: partially complete building assessed at \$2,500 last year; assessment raised to \$3,500 this year because completed; the \$1,000 increase is NEW.)
5. Platted land. (For example: a 40 acre parcel was assessed last year for \$10,000; the land has been platted into 200 lots at \$300 each or \$60,000; the increased assessment would be NEW \$50,000. If property had been classified Agricultural, there would be \$60,000 NEW in Residential and \$10,000 LOSS in Agricultural.)
6. Increased land value or improved economic conditions. **Note:** Increases in assessments from one year to the next due to inflationary increases in value are to be reported on Form 607 (L-4022), if not included in the equalization study report on Form 603 (L-4018R).

(The New listed on Form 607 (L-4022) may not qualify for Additions on Form 609 (L-4025). See instructions on L-4025.)

Also, the amount of the NEW for equalization purposes for a particular item may not be the same as the amount of the ADDITION for the cap for that same item. For example, an IFT NEW FACILITY whose exemption has expired comes on the ad valorem roll at 50% of true cash value, but the ADDITION may be less than 50%.

LOSS — Assessment decreases because of loss of true cash value not accounted for on Form 603 (L-4018R), including:

1. Description removed from roll (annexation).
2. Building or other improvements destroyed or removed or exempt.
3. Part of a building removed or destroyed (**Note:** Tax Day is December 31).
4. Losses from change of description (such as in item 5 under NEW).
5. Land reverted to state or otherwise exempt.

ADJUSTMENTS — All changes in the assessment roll OTHER than those caused by changes in true cash value which qualify as NEW or LOSS, including:

1. Individual assessments raised or lowered to establish uniformity and meet the 50 percent requirement.

INSTRUCTIONS FOR FORM 607 (L-4022) — CONTINUED

PERSONAL PROPERTY

NEW — Assessment increases because of added true cash value not accounted for on Form 602 (L-4018P), including:

1. First time on roll. (For example: a new commercial tenant.)
2. Additional equipment or furnishings. (For example: a business acquired additional equipment so the total true cash value of the equipment and furnishings increased from \$50,000 to \$80,000. The assessment therefore was raised from \$25,000 last year to \$40,000 and the \$15,000 increase is NEW.)
3. Change in law, reducing exemptions (Inventory, termination of Public Act 198 of 1974 certificate, etc.).

LOSS — Assessment decreases because of loss of true cash value not accounted for on Form 602 (L-4018P), including:

1. Removal from roll (Out of business, etc.).
2. Fire losses or other damage. (**Note:** Tax Day is December 31).
3. Decrease in true cash value of equipment, pipelines, furnishings, equipment, etc.
4. Change in law, increasing exemptions (Inventory, air, water or PA 198 of 1974 certificate, etc.).

All changes in the assessment roll OTHER than those caused by changes in true cash value which qualify as NEW or LOSS, including:

ADJUSTMENTS — Individual assessments raised or lowered to establish uniformity.

IMPORTANT NOTICE

Capped and Taxable Values have no role in the determination of County or State Equalized Valuations. **DO NOT REPORT CAPPED OR TAXABLE VALUES ON FORMS 607 (L-4022), 2164 (L-4023) OR 608 (L-4024). STC FORM 607 (L-4022) MUST BE CERTIFIED BY THE ASSESSOR OF RECORD BY SIGNING THE COMPLETED REPORT. UNSIGNED FORMS WILL BE RETURNED TO THE ASSESSOR.**

draft 10/16/19

Agenda Item #5

THIS IS NOT A TAX BILL

L-4400

Notice of Assessment, Taxable Valuation, and Property Classification

This form is issued under the authority of Public Act 206 of 1893, Sec. 211.24c and Sec.211.34c, as amended. This is a model assessment notice to be used by the local assessor.

FROM:		PARCEL IDENTIFICATION:	
		PARCEL CODE NUMBER:	
		PROPERTY ADDRESS:	
NAME AND ADDRESS OF OWNER OR PERSON NAMED ON ASSESSMENT ROLL:		PRINCIPAL RESIDENCE EXEMPTION % Exempt As "Homeowners Principal Residence": .00% % Exempt As "Qualified Agricultural Property": .00% % Exempt As "MBT Industrial Personal": .00% % Exempt As "MBT Commercial Personal": .00% Exempt As "Qualified Forest Property": <input type="checkbox"/> Yes <input type="checkbox"/> No Exempt As "Development Property": <input type="checkbox"/> Yes <input type="checkbox"/> No	
ACCORDING TO MCL 211.34c THIS PROPERTY IS CLASSIFIED AS:			
PRIOR YEAR'S CLASSIFICATION:			
The change in taxable value will increase/decrease your tax bill for this year by approximately:	PRIOR AMOUNT YEAR: 2019	CURRENT TENTATIVE AMOUNT YEAR: 2020	CHANGE FROM PRIOR YEAR TO CURRENT YEAR
1. TAXABLE VALUE:			
2. ASSESSED VALUE:			
3. TENTATIVE EQUALIZATION FACTOR:			
4. STATE EQUALIZED VALUE (SEV):			
5. There WAS or WAS NOT a Transfer of Ownership on this property in 2019:			

The 2020 Inflation Rate Multiplier is: 1.019

March Board of Review Appeal Information:

The Taxable Value, the Assessed Value, the State Equalized Value, the Property Classification, or the Transfer of Ownership may be appealed by filing a protest with the Local Board of Review. Protests are made to the Board of Review by completing a Board of Review Petition Form. A Petition Form may be obtained directly from the local unit or from the State Tax Commission's website at www.michigan.gov/taxes. Click on the "Property Taxes" box, select "Forms and Instructions," then click on "Board of Review" to obtain a "Petition to the Board of Review," Form 618 (L-4035).

The Board of Review will meet at: (enter dates and times and place)

Not less than 14 days before the meeting of the Board of Review, the assessment notice shall be mailed to the property owner.

Property taxes are calculated on the Taxable Value (see Line 1 above). The Taxable Value number entered in the "Change from Prior Year to Current Year" Column, does not indicate a change in your taxes. This number indicates the change in the Taxable Value.

State Equalized Value is the Assessed Value multiplied by the Equalization Factor, if any. State Equalized Value must approximate 50% of market value.

IF THERE WAS A TRANSFER OF OWNERSHIP on your property in 2019, your 2020 Taxable Value will be the same as your 2020 State Equalized Value.

IF THERE WAS NOT A TRANSFER OF OWNERSHIP on your property in 2019, your 2020 Taxable Value is calculated by multiplying your 2019 Taxable Value by 1.019 (Inflation Rate Multiplier for the current year). Physical changes in your property may also increase or decrease your Taxable Value. Your 2020 Taxable Value cannot be higher than your 2020 State Equalized Value.

The denial of an exemption from the local school operating tax for "qualified agricultural properties" may be appealed to the local Board of Review. The denial of an exemption from the local school operating tax for a "homeowner's principal residence" may be appealed to the Michigan Tax Tribunal by the filing of a petition within 35 days of issuance of this notice. The petition must be a Michigan Tax Tribunal form or a form approved by the Michigan Tax Tribunal. Michigan Tax Tribunal forms are available at www.michigan.gov/taxtrib.

Filing a protest with the Board of Review is necessary to protect your right to further appeal valuation and exemption disputes to the Michigan Tax Tribunal and classification appeals to the State Tax Commission. Properties classified Commercial Real, Industrial Real or Developmental Real may be appealed to the regular March Board of Review or to the Michigan Tax Tribunal by filing a petition by May 31. Commercial Personal, Industrial Personal, or Utility Personal Property may be appealed to the regular March Board of Review or to the Michigan Tax Tribunal by filing a petition by May 31 if a personal property statement was filed with the local unit prior to the commencement of the Board of Review as provided by MCL 211.19, except as otherwise provided by MCL 211.9m, 211.9n and 211.9o. The petition must be a Michigan Tax Tribunal form or a form approved by the Michigan Tax Tribunal. Michigan Tax Tribunal forms are available at www.michigan.gov/taxtrib.

To claim a PRE, complete the "Principal Residence Exemption Affidavit" (Form 2368) and file it with your township or city of the year of the claim. A valid affidavit filed on or before June 1 allows an owner to receive a PRE on the current year summer and winter tax levy and subsequent tax levies so long as it remains the owner's principal residence. A valid affidavit filed after June 1 and on or before November 1 allows an owner to receive a PRE on the current winter tax levy and subsequent tax levies so long as it remains the owner's principal residence.

2020 Taxable Value Calculations Worksheet

BOR Petition No. _____

Issued under authority of PA 206 of 1893. Filing is mandatory.

This form must be completed by the Board of Review (BOR) and made part of the Board of Review Record whenever a change is made to an individual parcel of property which causes a change to the Taxable Value.

Complete Section 1 if the BOR changes the Capped Value.

SECTION 1		<u>By Assessor</u>	<u>By BOR</u>
2019 Final Taxable Value as set by Assessor, Board of Review or Michigan Tax Tribunal (Enter number into column labeled "By Assessor.")		= _____	_____
Amount of Losses (See page 11 and 12 of STC Bulletin 3 of 1995 for formulas)		= _____	_____
Amount of Additions (See page 6 - 11 of STC Bulletin 3 of 1995 for formulas)		= _____	_____
2020 Capped Value			
= (2019 Taxable Value - Losses)		X 1.019	+ Additions
= (_____ - _____)		X _____	+ _____
= _____		By BOR	
2020 Capped Value = _____			

Complete Section 2 if the BOR changes the Assessed Value.

SECTION 2		<u>By Assessor</u>	<u>By BOR</u>
2020 Assessed Value		= _____	_____
2020 Tentative SEV	= 2020 Assessed Value X 2020 Tentative Equalization Factor		
	= _____ X _____		
	= _____	By BOR	
2020 Tentative SEV = _____			

The 2020 Tentative Taxable Value is the lesser of the 2020 Capped Value or the 2020 Tentative SEV.

2020 Tentative Taxable Value = _____

Signature of Secretary, Board of Review	Date
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THIS IS NOT A TAX BILL**Notice of Assessment, Taxable Valuation
(Including Leasehold Improvements) and Property Classification**

This form is issued under the authority of Public Act 206 of 1893, Sec. 211.24c, as amended. This is a model assessment notice to be used by the local assessor.

FROM:	PARCEL IDENTIFICATION: PARCEL CODE NUMBER: PROPERTY ADDRESS:		
NAME AND ADDRESS OF OWNER OR PERSON NAMED ON ASSESSMENT ROLL:	PRINCIPAL RESIDENCE EXEMPTION % Exempt As "Homeowner's Principal Residence": .00% % Exempt As "Qualified Agricultural Property": .00% % Exempt As "MBT Industrial Personal": .00% % Exempt As "MBT Commercial Personal": .00% Exempt As "Qualified Forest Property": <input type="checkbox"/> Yes <input type="checkbox"/> No Exempt As "Development Property": <input type="checkbox"/> Yes <input type="checkbox"/> No		
THIS PROPERTY IS CLASSIFIED AS:			
PRIOR YEAR'S CLASSIFICATION IF DIFFERENT:			
The change in taxable value will increase/decrease your tax bill for this year by approximately:	PRIOR AMOUNT YEAR: 2019	CURRENT TENTATIVE AMOUNT YEAR: 2020	CHANGE FROM PRIOR YEAR TO CURRENT YEAR
1. TAXABLE VALUE:			
2. ASSESSED VALUE:			
3. TENTATIVE EQUALIZATION FACTOR:			
4. STATE EQUALIZED VALUE:			
5. There WAS or WAS NOT a Transfer of Ownership on this property in 2019:			

The 2020 Inflation Rate Multiplier is: 1.019

The Taxable Value, the Assessed Value, the State Equalized Value, the Property Classification, or the Transfer of Ownership may be appealed by filing a protest with the Local Board of Review. Protests are made to the Board of Review by completing a Board of Review Petition Form. A Petition Form may be obtained directly from the local unit or from the State Tax Commission at www.michigan.gov/taxes. Click on the "Property Taxes" box, select "Forms and Instructions," then click on "Board of Review" to obtain a "Petition to the Board of Review," Form 618 (L-4035).

The Board of Review will meet at: (enter dates and times and place)

Not less than 14 days before the meeting of the Board of Review, the assessment notice shall be mailed to the property owner.

Property taxes are calculated on the Taxable Value (see line 1 above). The Taxable Value number entered in the "Change from Prior Year to Current Year" column, does not indicate a change in your taxes. This number indicates the change in the Taxable Value.

State Equalized Value is the Assessed Value multiplied by the Equalization Factor, if any. State Equalized Value must approximate 50% of market value.

IF THERE WAS A TRANSFER OF OWNERSHIP on your property in 2019, your 2020 Taxable Value will be the same as your 2020 State Equalized Value.**IF THERE WAS NOT A TRANSFER OF OWNERSHIP** on your property in 2019, your 2020 Taxable Value is calculated by multiplying your 2019 Taxable Value by 1.019 (Inflation Rate Multiplier for the current year). Physical changes in your property may also increase or decrease your Taxable Value. Your 2020 Taxable Value cannot be higher than your 2020 State Equalized Value.

The denial of an exemption from the local school operating tax for "qualified agricultural properties" may be appealed to the local Board of Review. The denial of an exemption from the local school operating tax for a "homeowner's principal residence" may be appealed to the Michigan Tax Tribunal by the filing of a petition within 35 days of issuance of this notice. The petition must be a Michigan tax Tribunal form or a form approved by the Michigan Tax Tribunal. Michigan Tax Tribunal forms are available at www.michigan.gov/taxtrib.

Filing a protest with the Board of Review is necessary to protect your right to further appeal valuation and exemption disputes to the Michigan Tax Tribunal and classification appeals to the State Tax Commission. Properties classified Commercial Real, Industrial Real or Developmental Real may be appealed to the regular March Board of Review or to the Michigan Tax Tribunal by filing a petition by May 31. Commercial Personal, Industrial Personal, or Utility Personal Property may be appealed to the regular March Board of Review or to the Michigan Tax Tribunal by filing a petition by May 31 if a personal property statement was filed with the local unit prior to the commencement of the Board of Review as provided by MCL 211.19, except as otherwise provided in Sections 211.9m, 211.9n and 211.9o. The petition must be a Michigan Tax Tribunal form or a form approved by the Michigan Tax Tribunal. Michigan Tax Tribunal forms are available at www.michigan.gov/taxtrib.

Leasehold Improvement Information: If this notice form is for the personal property of a tenant who has installed leasehold improvements, the following are the 2020 Taxable Value (TV) and the 2020 State Equalized Value (SEV) of the leasehold improvement portion of the total property:

2020 TV	2020 SEV
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PRINCIPAL RESIDENCE AFFIDAVIT INFORMATION REQUIRED BY PA 114 OF 2012: To claim the Principal Residence Exemption, if you have not already done so, you are required to file *Principal Residence Exemption (PRE) Affidavit*, Form 2368, by June 1 for the immediately succeeding summer tax levy and all subsequent tax levies or by November 1 for the immediately succeeding winter tax levy and all subsequent tax levies.

Michigan Department of Treasury
632 (Rev. 09-19)
Issued under authority of Public Act 206 of 1893.
Approved by the State Tax Commission August 20, 2019.

Parcel No.

This form must be completed
and returned to the assessor by
February 20, 2020.

L-4175 2020

2020 Personal Property Statement (As of 12-31-19)

FROM: (Name and Address of Assessor)

Location(s) of Personal Property Reported on This Statement.
LIST ALL LOCATIONS. Attach additional sheets if necessary.

Date of Organization	Date Business Began at above location	Square Feet Occupied
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Assumed Names Used by Legal Entity, if any

Names of Owner(s) or Partners
(If sole proprietorship or partnership)

If Sole Proprietorship, Taxpayer's Residential Address

Legal Name of Taxpayer

Preparer's Name, Address, Telephone Number and E-mail address

Check One Only:

- ☐ Sole Proprietorship
☐ Partnership
☐ Limited Liability Co.
☐ Corporation
MI ID# _____

Address Where Personal Property Records are Kept

Name of Person in Charge of Records	Taxpayer Telephone No.
-------------------------------------	------------------------

Description of Taxpayer's Business Activity and NAICS Code

NOTICE: DO NOT USE THIS FORM TO CLAIM AN EXEMPTION OF ELIGIBLE MANUFACTURING PERSONAL PROPERTY (EMPP) PURSUANT TO MCL 211.9m AND MCL 211.9n. To claim an exemption for EMPP, file Form 5278 with the local assessor where the personal property is located no later than February 20, 2020. Leasing companies are not eligible to file Form 5278 and must complete this form. Pursuant to MCL 211.9o, if the true cash value of the assessable personal property you or a related party own, lease or possess in this local assessing unit is less than \$80,000, then you do not need to file this form if the property is classified as commercial or industrial personal property and you timely claim the exemption. Instead, file Form 5076 with the local unit where the property is located no later than February 20, 2020. See the instructions on Page 5.

SUMMARY AND CERTIFICATION. Complete ALL questions.

- Have you excluded any exempt "Special Tools" from this statement? ☐ Yes ☐ No If Yes, state total original cost excluded _____
- Have you excluded any air and water pollution control facilities and/or wind or water energy conversion devices for which an exemption certificate has been issued? ☐ Yes ☐ No If Yes, attach itemized list.
- Have you, to the best of your knowledge, reported all of your assessable tangible personal property located in Michigan including fully depreciated and/or expensed assets, to the appropriate assessment jurisdiction? ☐ Yes ☐ No If No, attach explanation.
- Did you hold a legal or equitable interest in personal property assessable in this jurisdiction which you have not reported on this statement (see instructions)? ☐ Yes ☐ No If Yes, attach itemized list.
- Are you a party (as either a landlord or a tenant) to a rental or lease agreement relating to real property in this jurisdiction? ☐ Yes ☐ No If Yes, complete Section O.
- Have any of your assets been subjected to "rebooking" of costs for accounting purposes or been purchased used (see instructions)? ☐ Yes ☐ No If Yes, attach itemized list.
- Is any of your property "daily rental property," per P.A. 537 of 1998? ☐ Yes ☐ No If Yes, attach Form 3595.
- Are other businesses operated at your location(s)? ☐ Yes ☐ No If Yes, attach itemized list.

Enter zero if appropriate.

9. Grand total from page 2	9a.	
10. Grand total from page 3	10a.	
11. Grand total from page 4	11a.	
12. Total cost of Idle Equipment from Form 2698	12a.	
13. Total cost of Personal Property Construction in Progress	13a.	X .50
14. Total cost of Cable TV, Utility and Wind Energy Assets from Forms 633, 3589 and 4565	14a.	
15. Total cost of cellular site equipment from Form(s) 4452	15a.	
TOTAL		

Assessor Calculations	
9b.	
10b.	
11b.	
12b.	
13b.	
14b.	
15b.	

The undersigned certifies that he/she is an owner, officer and/or the duly authorized agent for the above named taxpayer and that the above summary, with its supporting documents, provides a full and true statement of all tangible personal property owned or held by the taxpayer at the locations listed above on December 31, 2019.

Signature of Certifier	Date
------------------------	------

ASSESSOR'S ADJUSTMENT(S)

EXEMPTION(S)

TRUE CASH VALUE

ASSESSED VALUE (50% of TCV)

INSTRUCTIONS. Read carefully to obtain directions for the allocation of your personal property to Sections A - N.

All Tangible Personal Property in your possession at this location, including fully depreciated and expensed assets, must be reported in one of the Sections A through N. If you had "Move-Ins" of used property, you must also complete Form 3966, *2020 Taxpayer Report of Personal Property "Move-Ins" of Used Equipment Occurring During 2019*. "Move-Ins" are items of assessable personal property (hereafter referred to as "property") that were not assessed in this city or township in 2019, including (1) purchases of used property, (2) used property you moved in from a location outside this city or township, (3) property that was exempt in 2019 (such as exempt Industrial Facilities Tax property), and (4) property that you mistakenly omitted from your statement in 2019. "Move-Ins" DO NOT include property that has been moved from another location WITHIN this city or township or that was assessed to another taxpayer within this city or township in 2019 (i.e., property reported by a previous owner or previously leased property reported by the lessor in 2019). All "Move-Ins" must be reported on Page 2 of this form and on Form 3966. Do not report 2019 acquisitions of new property on Form 3966.

Did you have "move-ins"?

☐ Yes☐ No

SECTION A: Including Furniture and Fixtures			Assessor Calculations
2019		.91	
2018		.80	
2017		.69	
2016		.61	
2015		.53	
2014		.47	
2013		.42	
2012		.37	
2011		.33	
2010		.29	
2009		.27	
2008		.24	
2007		.22	
2006		.19	
2005		.12	
Prior		.12	
TOTALS	A1		A2

SECTION B: Including Machinery and Equipment			Assessor Calculations
2019		.89	
2018		.76	
2017		.67	
2016		.60	
2015		.54	
2014		.49	
2013		.45	
2012		.42	
2011		.38	
2010		.36	
2009		.33	
2008		.31	
2007		.29	
2006		.28	
2005		.23	
Prior		.23	
TOTALS	B1		B2

SECTION C: Including Rental Videotapes and Games			Assessor Calculations
2019		.76	
2018		.53	
2017		.29	
2016		.05	
Prior		.05	
TOTALS	C1		C2

SECTION D: Including Office, Electronic, Video and Testing Equipment			Assessor Calculations
2019		.84	
2018		.64	
2017		.55	
2016		.49	
2015		.44	
2014		.41	
2013		.38	
2012		.35	
2011		.33	
2010		.31	
2009		.29	
2008		.28	
2007		.26	
2006		.25	
2005		.17	
Prior		.17	
TOTALS	D1		D2

SECTION E: Including Consumer Coin Operated Equipment			Assessor Calculations
2019		.92	
2018		.85	
2017		.77	
2016		.69	
2015		.61	
2014		.54	
2013		.46	
2012		.38	
2011		.30	
2010		.23	
2009		.15	
Prior		.15	
TOTALS	E1		E2

SECTION F: Including Computer Equipment			Assessor Calculations
2019		.60	
2018		.44	
2017		.32	
2016		.24	
2015		.19	
2014		.15	
2013		.08	
Prior		.08	
TOTALS	F1		F2

COST GRAND TOTAL (for page 2)

TAXPAYER: Add totals from cost columns of Sections A-F (A1-F1). Enter grand total here and carry to line 9a, page 1.

\$

TRUE CASH VALUE GRAND TOTAL (for page 2)

ASSESSOR: Add True Cash Value totals from Sections A-F (A2-F2). Enter grand total here and carry to line 9b, page 1.

\$

Parcel No.

L-4175**SECTION G - Other Assessable Personal Property Which You Own**

Assessable Tangible Personal Property in your possession that is not entitled to depreciation under Generally Accepted Accounting Principals (GAAP) (e.g. fine art) or that the assessor has told you to report in this Section or that is otherwise described in the instructions should be reported under this section. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175). See instructions. Attach additional sheets, if necessary.

Description of Property	Acquisition Cost New	Acquisition Year	True Cash Value Assessor's Calculations
Total Acquisition Cost New	G1		G2

SECTION H - Standard Tooling

You must report your standard tooling in this Section. Complete both columns. Notice that GAAP net book value, as reported in this Section, must implement accounting "changes in estimate", even if not otherwise material. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175). See Instructions.

Acquisition Year	Acquisition Cost New	GAAP Net Book Value
2019		
2018		
2017		
Prior		
Total Acquisition Cost	H1	H2

SECTION I - Qualified Personal Property

INCLUDE ONLY "Qualified Personal Property" as defined by Michigan Compiled Laws 211.8a(6)(c). See instructions. If necessary, attach extra schedules using the same format indicated below. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175).

Description of Equipment and Model or Serial Number	Owner Name and Complete Mailing Address	Original Cost Installed	Date of Installation	Lease Term in Months	Year of Manufacture	Total Average Monthly Rental	%	TCV to be Completed by Assessor
Total Installed Cost		I1						I2

SECTION J - Leased Property in Your Possession Which Is Not Qualified Personal Property

Property you are leasing from another person or entity should be reported under this Section. "Qualified" Personal Property should be reported under Section I. See instructions. Attach additional sheets if necessary. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175).

Lease No.	Name & Address of Lessor	Description of Equipment	Lease Term (in months)	Monthly Rental	1st Year in Service	Selling Price New (estimate, if necessary)
Total Selling Price New						J1

SECTION K - Other Personal Property in Your Possession Which You Do Not Own

Property not owned by you but in your possession on December 31, 2019, under arrangements other than a lease agreement should be reported under this Section. See instructions. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175). Attach additional sheets if necessary.

Name & Address of Owner	Description of Equipment	Age (estimate if necessary)	Selling Price New (estimate, if necessary)
Total Selling Price New			K1

COST GRAND TOTAL (for page 3)

TAXPAYER: Add Total Costs and Selling Prices from Sections G-K (G1-K1). Enter grand total here and carry to line 10a, page 1.

\$

TRUE CASH VALUE GRAND TOTAL (for page 3)

ASSESSOR: Add True Cash Value totals from Sections G-I (G2-I2). Enter grand total here and carry to line 10b, page 1.

\$

SECTION L - Detail of Leases (This Section is Completed by Leasing Companies)

Equipment that you lease to others should be reported under this Section. **Note:** You must also complete Sections A - F on Page 2. See instructions. You may use attachments in lieu of completing this Section only if the attachments use the same format and contain all the information as indicated below, and the Tables on Page 2 are completed. **If you are leasing Eligible Manufacturing Personal Property (EMPP) to another company, you must report it in this section unless an election has been made, using Form 5467, that it be reported on the lessee's Form 5278. See the detailed notice at the beginning of the Instructions, at the top of the first column, Page 5. Attach additional sheets, if necessary.**

Are you a manufacturer of equipment? ☐ Yes ☐ No

Lease No.	Name & Address of Lessee	Location of Equipment	Type of Equipment	Lease Period (Mo.)	Monthly Rental	1st Year in Service	Manufacturer Cost	Original Selling Price
Total Original Selling Price								

SECTION M - Leasehold Improvements

All Leasehold Improvements (LHI) made at your place of business should be reported under this Section, even if you believe that the improvements are not subject to assessment as Personal Property. Report trade fixtures, foundation costs and equipment installation costs, including wiring and utility connections in the appropriate Section A through F, on Page 2, not as LHI. See instructions. To prevent a duplicate assessment, provide as much detail as possible. You may attach additional explanations and/or copies of "fixed asset" records, if the attachment provides ALL of the information requested below and if you insert the total original cost in "Total Cost Incurred" below. Personal Property reported here should **NOT** be reported elsewhere on Form 632 (L-4175). **Assessor:** Do NOT assess 2016 or later installations as personal property except where the lease is pre-1984.

NOTICE: The State Tax Commission has directed that all leasehold improvement installations in 2016 or later must be valued as improvements to the leased real property. Report all 2016, 2017, 2018 and 2019 leasehold improvements in the section immediately below.				
Year Installed	Description (Describe in detail)	Original Cost	STC Multiplier	True Cash Value Assessor's Calculation
2019				
2018				
2017				
2016				
Prior				

SECTION N - Buildings and Other Structures on Leased or Public Land and All Freestanding Signs and Billboards

Costs of Freestanding Communications Towers and Equipment Buildings at Tower sites (unless reported on Form 4452), and Costs of Freestanding Signs and Billboards must also be reported under this Section. Any Personal Property reported in this Section should **NOT** be reported elsewhere on Form 632 (L-4175). Attach additional sheets, if necessary.

☐ Check this box if you believe that these structures are already assessed as part of the real property.

Address or Location of Building	Year Originally Built	Total Capitalized Cost	True Cash Value Assessor's Calculation *
Total Capitalized Cost		N1	N2

SECTION O - Rental Information. See Instructions. (Attach additional sheets, if necessary.)**IF YOU ARE THE TENANT**

Name and address of landlord _____

Is your landlord the owner of the property? ☐ Yes ☐ No If you are a sublessee, enter the name and address of the owner of the property _____

IF YOU ARE THE LANDLORD

Name and address of tenant _____

Are you the owner of the property? ☐ Yes ☐ No If you are a sublessor, enter the name and address of the owner of the property _____

TO BE COMPLETED REGARDLESS OF WHETHER YOU ARE THE LANDLORD OR TENANT

Address of property rented or leased _____

Date that current rental arrangement began: _____. Square feet occupied: _____ Monthly rental \$ _____

Date current lease expires: _____. Are there options to renew the lease? ☐ Yes ☐ No

Expenses (e.g. taxes, electric, gas, etc.) paid by the tenant _____

Assessor Value

O2

COST GRAND TOTAL (for page 4)

TAXPAYER: Add Total Cost Incurred from Section M and Total Capitalized Cost from Section N (M1 and N1). Enter grand total here and carry to line 11a, page 1.

\$ _____

TRUE CASH VALUE GRAND TOTAL (for page 4)

ASSESSOR: Add True Cash Value totals from Sections M-O (M2-O2). Enter grand total here and carry to line 11b, page 1.

\$ _____

*** NOTE TO ASSESSOR:** Certain buildings and structures on leased land (but not including freestanding signs and billboards) must be assessed on the real property roll. See Bulletin 1 of 2003.

Instructions for Completing Form 632 (L-4175), 2020 Personal Property Statement

NOTICE: Do NOT report Eligible Manufacturing Personal Property (EMPP), as defined in MCL 211.9m and MCL 211.9n, using this form. Instead, use the *Eligible Manufacturing Personal Property Tax Exemption Claim, Personal Property Statement, and Report of Fair Market Value of Qualified New and Previously Existing Personal Property (Combined Document)*, Form 5278, even if some of the personal property is not yet exempt. For a full definition of EMPP, see the instructions on Form 5278. Generally, personal property is EMPP if the predominant use of all personal property on an occupied real parcel is predominantly used for industrial processing or direct integrated support. Form 5278 must be fully completed and delivered to the assessor of the local unit in which the personal property is located no later than February 20, 2020. Delivery by the United States Postal Service is timely if postmarked on or before February 20, 2020. Late application may be filed directly with the March Board of Review before its final adjournment by submitting a fully completed Form 5278. Form 5278 can be accessed at www.michigan.gov/esa. A lessor of personal property is not eligible to file Form 5278 under any circumstance and must report EMPP on this form. However, the lessor and lessee may elect to have the lessee report the leased property by executing the *Election of Lessee Report of Eligible Manufacturing Personal Property*, Form 5467, and the lessee including the Form 5467 when filing Form 5278.

NOTICE: If the true cash value of assessable personal property that you or a related party own, lease, or possess in this ("city" or "township") is under \$80,000, you may be eligible for an exemption for 2020 by filing Form 5076 by February 20, 2020, or by an application thereafter directly to the March Board of Review. **IF YOU ARE ELIGIBLE FOR THE SMALL BUSINESS TAXPAYER EXEMPTION (MCL 211.9o) AND FILE FORM 5076, YOU DO NOT HAVE TO COMPLETE THIS PERSONAL PROPERTY STATEMENT.** Review Form 5076 and the instructions on that form to determine whether you qualify. Form 5076 and instructions can be accessed at www.michigan.gov/taxes or from the assessor.

This form is issued under authority of the General Property Tax Act. Filing is mandatory. Failure to file may result in imprisonment for a period not less than thirty days, nor more than six months; a fine not less than \$100, nor more than \$1,000; or both fine and imprisonment at the discretion of the court. See MCL 211.21.

CAUTION: Read these instructions carefully before completing the form. **Complete all Sections.** Because this form has been coded, it is imperative that it be returned to assure proper processing. If all of the personal property formerly in your possession has been removed from this assessing unit before December 31, 2019, you must notify the assessor at once in order to change the records accordingly. This statement is subject to audit by the State Tax Commission, the Equalization Department or the Assessor. **Failure to file this form by its due date will jeopardize your right to file an MCL 211.154 appeal with the State Tax Commission.** You are advised to make a copy of the completed statement for your records. This form must be filed in the city or township where the personal property is located on December 31, 2019. Do not file this form with the State Tax Commission unless you have been specifically instructed to do so by the Commission's staff.

Although you must complete all Sections of this form, you are not required to file pages that do not contain any reported cost. You must, however, insert a zero entry in the appropriate line(s) 10, 11 and/or 12 of the "Summary and Certification" on page 1 to

indicate that you have no costs to report for that page; you must complete and file Section O if you are a landlord, a lessee or a sublessee. In completing this form, you may not use attachments in lieu of completing a Section, unless the instructions specifically authorize the use of attachments for completing the Section.

FACSIMILE SIGNATURES: This form must be signed at the bottom of page 1. A facsimile signature may be used (P.A. 267 of 2002), provided that the person using the facsimile signature has filed with the Property Services Division of the Department of Treasury a signed declaration, under oath, using Form 3980. A facsimile signature is a copy or a reproduction of an original signature.

GENERAL EXPLANATION: The Michigan Constitution provides for the assessment of all real and tangible personal property not exempted by law. Tangible personal property is defined as tangible property that is not real estate. Form 632 (L-4175) is used for the purpose of obtaining a statement of assessable personal property for use in making a personal property assessment. Michigan law provides that the assessor must send Form 632 (L-4175) to any person or entity that may possess assessable personal property. Michigan law also provides that a person or entity receiving Form 632 (L-4175) must complete it and return it to the assessor by the statutory due date, even if they have no assessable property to report. If you had assessable personal property in your possession on December 31, 2019, you must submit a completed Form 632 (L-4175) to the assessor of the community where the property is located by the statutory due date, even if the assessor does not send you a form to complete.

COMPLETION OF FORM 632 (L-4175)

PAGE 1 — STATISTICAL INFORMATION:

FROM: Insert name and address of the assessor if you are using a form not provided by the assessor. Often this form must be filed at an address different than the assessor's mailing address for other purposes. It is your responsibility to assure that this form is sent to the correct address. If you are unsure of the mailing address, call your local assessor or county equalization department.

TO: If you are not using a preprinted form, insert your name and address. Use the address at which you wish to receive future forms and tax billings. If your form is preprinted with an incorrect address, line out the incorrect portions and insert the corrections.

Parcel No.: Unless this is an initial filing, you have already been assigned a parcel number. If you are using a form not provided by the assessor, you must insert the correct parcel number. Failure to insert your parcel number may result in a duplicate assessment.

Preparer's Name and Address: Insert the name, address, telephone number and e-mail address of the person who has prepared this statement.

(Check One): Check the appropriate box indicating the form of legal organization used by the taxpayer in conducting its business. If the taxpayer is organized as a corporation or a limited liability company, insert the Michigan corporate identification number of the business or, if not authorized to do business in Michigan, the name of the state in which it is organized.

Location(s) of Personal Property: List the street addresses of all locations that are being reported on this statement. Locations

in different school districts or lying within the boundaries of designated authorities or districts must be reported separately. All personal property at a given location in the same authority or district must be reported under one account, unless the assessor has directed otherwise. You must file a separate statement for property on which the tax is abated pursuant to P.A. 198 of 1974 (I.F.T.) or P.A. 328 of 1998 (certain new personal property).

Date of Organization: Insert the date that the taxpayer's business was first organized or commenced.

Date Business Began at Above Location: Insert the date that the taxpayer first commenced business at a location reported on this statement.

Square Feet Occupied: Insert the number of square feet of space occupied by the taxpayer at the location(s) reported.

Assumed Names: State any assumed names used by the taxpayer in conducting its business at the location(s) reported.

Names of Owner(s) or Partners: If the taxpayer is a sole proprietorship or a partnership, list the name(s) of the proprietor or partners.

If Sole Proprietorship, Taxpayer's Residential Address: Insert sole proprietor's actual residence address. Do not use mailing address, if different than residence address.

Legal Name of Taxpayer: Insert the taxpayer's exact legal name.

Address Where Personal Property Records Are Kept: Insert the address where the records used to complete this statement are kept. Only insert the address of an agent if that agent has actual possession of all documents necessary to conduct an audit.

Name of Person in Charge of Records: Insert the name of the person at the address where the records are kept who has actual control of the documents necessary to conduct an audit.

Telephone Number: Insert the telephone number of the person having charge of the records used for filing.

Description of Taxpayer's Business activity: Insert a descriptive phrase indicating the nature of the taxpayer's business activity and NAICS Code.

PAGE 1 — SUMMARY AND CERTIFICATION:

Page 1, Line 1: "Special Tools" are exempt from taxation, pursuant to MCL 211.9b. If you are excluding "special tools" from your statement, you must check "Yes" and insert the amount of original cost excluded. "Special tool" means a finished or unfinished device such as a die, jig, fixture, mold, pattern, special gauge, or similar device, that is used, or is being prepared for use, to manufacture a product and that cannot be used to manufacture another product without substantial modification of the device. As used herein, a "product" can be a part, a special tool, a component, a subassembly or completed goods. "Special tools" do not include devices that differ in character from dies, jigs, fixtures, molds, patterns, or special gauges. Machinery or equipment, even if customized, and even if used in conjunction with special tools is not a "special tool." A die, jig, fixture, mold, pattern, gauge, or similar tool that is not a "special tool" is a "standard tool" and must be reported in Section H. Machinery or equipment, even if specialized, and even if used in conjunction with special tools or standard tools is not reported in Section H and must, instead, be reported in Section B. Only industrial tools in the nature of dies, jigs, fixtures, molds, patterns and special gauges can qualify for this exemption. Personal property not directly used to carry out a manufacturing process is not a

"special tool." Dies, jigs, fixtures, molds, patterns, special gauges, or similar devices that are not "special tools" should be reported at full acquisition cost new under Section H of this form.

Page 1, Line 2: Air and water pollution control facilities and/or wind or water energy conversion devices may qualify for exemption from taxation, only if an exemption certificate has been issued by the State Tax Commission on or before December 31, 2019. If you claim such an exemption, check "Yes" and attach an itemized listing of the certificate numbers, dates of issuance and amounts.

Page 1, Line 3: You must file a completed Form 632 (L-4175) with the assessor of every Michigan assessment jurisdiction in which you had assessable personal property on December 31, 2019. If you have fulfilled this obligation, check "Yes." If you have not filed in every required jurisdiction, attach an explanation. You are required to report all tangible personal property in your possession in this location **even if the property has been fully expensed or depreciated for federal income tax or financial accounting purposes.** If you answer "No," attach a detailed explanation.

Page 1, Line 4: The purpose of this question is to determine whether you are a party to a contract relative to personal property located in this jurisdiction on December 31, 2019, that you have not reported on this statement, perhaps because of your belief that another party to the contract is the proper party to report. This includes situations where you believe you hold only a security interest in personal property, in spite of the fact that the contract is labeled a "lease." If you answered "yes" to this question, attach a rider that includes the name(s) of the interest holder(s), the nature of your interest, a description of the equipment, the year the equipment was originally placed in service, its original selling price when new and the address where the property was located on December 31, 2019. "Conditional sale" leased equipment must be reported by the lessor.

Page 1, Line 5: Check "Yes" if you are a lessor (landlord), a lessee (tenant) or a sublessee (subtenant) in a rental contract relating to the real property at this location. MCL 211.8(i) provides that, under some circumstances, the value, if any, of a sub-leasehold estate shall be assessed to the lessee. If you check "Yes," complete Section O. Your rental arrangement will be analyzed by the assessor. If you check "Yes" and have made leasehold improvements to the real estate, you must also complete Section M. Your completion of Sections M and O will not necessarily result in an increased assessment.

Page 1, Line 6: The valuation multipliers contained in Sections A through F on page 2 are intended to be applied to the acquisition cost of new, not used, personal property. If the acquisition cost new of an asset is known to you or can be reasonably ascertained through investigation, you must report that cost in the year it was new when you complete Sections A through F, even if you have adjusted the cost in your accounting records to reflect revaluation of the asset using a "purchase," "fresh start," "push-down" or similar accounting methodology, or even if your booked cost reflects a "used" purchase, lease "buy-out" price or a "trade-in" credit. If you were unable to report the acquisition cost new for one or more of your assets, you should check "Yes" and attach a list of all such assets. On the list, provide a detailed description of each asset, the year or approximate year that the asset was new, and the Section, the amount and acquisition year at which you have reported the asset. You must also provide a written explanation of the reason(s) that the original acquisition cost information is not available.

Page 1, Line 7: “Daily rental property” is tangible personal property, having a cost **new** of \$10,000 or less, that is exclusively offered for rental, pursuant to a written agreement, on an hourly, daily, weekly or monthly basis for a term of 6 months or less (including all permitted or required extensions). If you acquired the property “used” you must determine the cost new for purposes of determining whether the property qualifies for “daily rental property” treatment. If you believe that you have such property, see Form 3595, *Itemized Listing of Daily Rental Property*, for additional information. If you qualify, you must complete Form 3595 and comply with the requirements set forth therein.

Page 1, Line 8: This question requires you to disclose other businesses that share space with you at the location(s) of your business. If you answer “Yes” attach a list of all other businesses operating at your location(s). If you are located in a shopping center, office building or other multi-tenant facility, you are not required to list businesses having a different legal address.

Page 1, Line 9: Complete Sections A through F, page 2, and add the totals from Sections A through F to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 2 and carry that amount to page 1, line 9a.

Page 1, Line 10: Complete Sections G through K, page 3, and add the totals from Sections G through K to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 3 and carry the amount to page 1, line 10a.

Page 1, Line 11: Complete Sections L through O, page 4, and add the totals from Sections M and N to arrive at a Cost Grand Total, as directed by the instruction at the bottom of the page. Insert the Cost Grand Total in the box indicated at the bottom of page 4 and carry the amount to page 1, line 11a.

Page 1, Line 12: If you had assets that qualified as “idle equipment” or as “obsolete or surplus equipment” on December 31, 2019, complete Form 2698, *Idle Equipment, Obsolete Equipment and Surplus Equipment Report*, and carry the Total Original Cost from Form 2698 to line 12a.

“Idle equipment” is equipment that is part of a discontinued process and that has been disconnected and is stored in a separate location. Assets are **not** “idle” if they are present as standby equipment, are used intermittently or are used on a seasonal basis. “Obsolete or surplus equipment” is equipment that either requires rebuilding and is in the possession of a rebuilding firm on December 31, 2019, **OR** is being disposed of by means of an advertised sale because it has been declared as surplus by an owner who has abandoned a process or plant. Property that is part of a process that has been temporarily suspended from operation or which is being offered for sale with the expectation that the process will be continued at the same location, does not qualify for idle or obsolete and surplus reporting treatment. Only property which would otherwise be reported in Sections A through F on Page 2 of Form 632 (L-4175) qualifies to be reported as idle or obsolete and surplus equipment. For more information, see instructions to Form 2698. Do not include these assets elsewhere on this form.

Page 1, Line 13: Report the total cost incurred for Construction in Progress, as calculated on an accrual basis, based on the extent of physical presence of the Construction in Progress in the assessment jurisdiction. Construction in Progress is property of a personal property nature that has never been in service and was in the process of being installed on December 31, 2019. Do not report partially constructed electric generating facilities as Construction in Progress.

Such facilities must be reported on the Real Property Statement (Form 3991 - Gas Turbine and Diesel; Form 4070 - Hydroelectric; Form 4094 - Steam).

Page 1, Line 14: If you had cable television or utility assets on December 31, 2019, complete and file Form 3589, *Cable Television and Utility Personal Property Report*, or Form 633, *Electric Distribution Cooperative Personal Property Statement*, and carry the Total Original Cost from Form 3589 or Form 633 to line 15a. See the instructions to Form 3589. If you had wind energy system assets as defined in MCL 211.8(i), on December 31, 2019, complete Form 4565, *Wind Energy System Personal Property Report*, and carry the total original cost from Form 4565 to line 14a. See the instructions to Form 4565.

Page 1, Line 15: If you had cellular (wireless) site assets on December 31, 2019, complete and file Form 4452, *Cellular (Wireless) Site Equipment Personal Property Report*, and carry the Total Original Cost from Form 4452 to line 15a. See the instructions to Form 4452.

PAGE 2 — GENERAL INSTRUCTIONS FOR SECTIONS A THROUGH F:

You must report in these Sections the full acquisition cost new, in the year of its acquisition new, of all machinery and equipment, computer equipment, furniture and fixtures, signs, coin operated equipment, office equipment, electronic, video and testing equipment, rental video tapes and games and other tangible personal property owned by you and located in this assessment jurisdiction, **even if you have fully depreciated the asset or have expensed the asset under Section 179 of the Internal Revenue Code or under your accounting policies. All costs reported must include freight, sales tax and installation costs**, even in cases where the cost was actually incurred by another. Imputed sales tax, freight and installation costs must be reported by equipment leasing companies in cases where the lessee has paid or will pay such costs, or will provide the equivalent benefit in kind. Sales/Use tax must be imputed and reported by equipment leasing companies in cases where the lessee is paying sales or use tax on installment lease payments. The costs reported must include all costs (except capitalized interest) that would be capitalized by an end-user/owner of the property under generally accepted accounting principles, including overheads and “indirect costs” associated with the process of constructing, acquiring or making the property available for use. Capitalized expenditures made to a piece of machinery or equipment after the initial acquisition year must be reported in the year the expenditure is booked as a fixed asset. These costs must be reported the same as they are shown on your financial accounting fixed asset records, assuming that you account using generally accepted accounting principles. You must also report in these Sections any other tangible personal property in your possession or under your control in this jurisdiction that is not reported under Sections G through N. If you purchased an asset used, and do not know and cannot ascertain the acquisition cost new, attach the list and explanation required by the **Page 1, Line 6** instructions. The acquisition costs for the assets reported under each Section must be totaled for each acquisition year. Place the yearly total on the line of the Section corresponding to the year that the property was acquired. You must report the original acquisition cost, **not** your estimation of the value of the property. Equipment not fully installed on December 31, 2019, should be reported on **Page 1, Line 13** and should not be reported in these Sections. Property that was reported as construction in progress **last** year but which was

placed in service on or before December 31, 2019, should be entirely reported on the 2019 acquisition line of the appropriate table, not the 2018 line. Similarly, the cost of all assets must be reported as acquired in the year that they were placed in service, rather than the year of purchase, if those years differ.

Leased assets and “daily rental property” must be reported by the **Owner** on Sections A through H in the same manner as other property, using a cost which represents the price that would be paid by an end-user to acquire ownership of the property if it were to purchase rather than lease or rent. An itemized listing of the property must also be made in Section L (for leased assets) or pursuant to the requirements of the instructions for **Page 1, Line 7** (for daily rental assets). Lessors do not report Eligible Manufacturing Personal Property (EMPP), which may be reported by the lessee on Form 5278 if the lessor and lessee make the election and include Form 5467 when filing Form 5278.

All leased and daily rental assets must be reported by, and must be assessed to, the owner (the lessor or daily rental company), in spite of any agreement to the contrary between the parties to the lease or rental agreement, unless the property is EMPP, is “qualified personal property” or is owned by a bank. Leased and rental property must be reported at selling price new, even if the owner is the manufacturer of the asset or acquired the asset in the wholesale market for an amount less than the price that the end-user would have incurred to purchase the asset. If the asset is of a type that it is never sold to an end-user or if you have constructed the asset for your own use, report the price at which the asset would sell if a market sale did occur. See STC Bulletin 8 of 2007.

The cost reported in each of the Sections of this form and on the forms used with this form should include the full invoiced cost, without deduction for the value of certain inducements such as service agreements and warranties when these inducements are regularly provided without additional charge.

Inventory is exempt from assessment. Inventory does not include personal property under lease or principally intended for lease or rental, rather than sale. Property allowed a cost recovery allowance or depreciation under the Internal Revenue Code is not inventory. Motor vehicles registered with the Michigan Secretary of State on December 31, 2019 are exempt. Special mobile equipment, as defined by MCL 257.62, and nonregistered motor vehicles are assessable. Computer software, if the purchase was evidenced by a separate invoice amount, and asset number, and if the software is commonly sold separately, is exempt.

If you have had “Move Ins” of used property during calendar year 2019, you must complete Form 3966, in addition to completing Form 632 (L-4175). You can obtain Form 3966 from the Michigan Department of Treasury Web Site at www.michigan.gov/taxes or from your local assessor. “Move-Ins” are items of assessable personal property that were not assessed in this city or township in 2019, including: acquisitions of previously used personal property (which should be reported in the year it was new and at the cost when new); used personal property you have moved in from outside this city or township; personal property that was exempt in 2019 (such as exempt industrial facilities tax property); and personal property that you mistakenly omitted from your statement in 2019. “Move-Ins” **do not include** property moved from another location **within** this city or township or assessed to another taxpayer **within** this city or township in 2019 (i.e. property reported by a previous owner or previously leased property reported by the lessor to this city or township last year). All “Move-Ins” must be reported in the appropriate Section of

Form 632 (L-4175), in addition to being reported on Form 3966. **Do not report** 2019 acquisitions of new property on Form 3966. You must report the cost of business trade fixtures in the appropriate Section, A through F, rather than in Section M where you report leasehold improvements. You must also report the costs of installing personal property in the appropriate Section, A through F. Trade fixtures and installation costs of machinery and equipment must not be reported in Section M, even if you have booked them as leasehold improvements for financial accounting purposes. Trade fixtures are items of property that have been attached to real estate by a tenant to facilitate the tenant’s use of the property for business purposes and which are both capable of being removed and are removable by the tenant under the terms of the lease. Examples of trade fixtures are certain costs related to telephone and security systems and most signs. Examples of installation costs are the costs of machine foundations and electric, water, gas and pneumatic connections for individual manufacturing machines.

The costs of an electrical generating facility, including the costs of all attached equipment that is integrated as a component in accomplishing the generating process, such as boilers, gas turbines and generators, are not reported on this form. An exception is a small, movable generating unit that has a fixed undercarriage designed to allow easy movement of the unit from place to place to provide temporary electric power. Other exceptions are wind energy systems and solar farms. See instructions to **Page 1, Line 14**.

The costs associated with a generating facility that does not have a fixed undercarriage must be reported to the assessor on the appropriate Real Property Statement (Form 3991 - Gas Turbine and Diesel; Form 4070 - Hydroelectric; Form 4094 - Steam). The costs associated with small, movable electrical generation units that have a fixed undercarriage and the costs associated with other unattached, movable machinery and equipment used at generating facilities, such as front loaders, forklifts, etc. are reported in Section B of this form.

A summary of the items that should be reported in each Section is contained in STC Bulletin 12 of 1999, its later annual supplement(s) and in these instructions. These bulletins, along with forms and other bulletins can be accessed via our Web site at www.michigan.gov/taxes. MCL 211.19 requires that you complete this form in accordance with the directions on the form and in these instructions. You may, however, attach supplementary material for the assessor to consider in making his or her valuation decisions. If you have questions regarding proper categorization of property, contact the State Tax Commission for clarification.

Completion of Section A, Page 2: The assets to be reported in this Section include decorations, seating, furniture (for offices, apartments, restaurants, stores and gaming establishments), shelving and racks, animal cages and tanks, lockers, modular office components, cabinets, counters, rent-to-own furnishings, medical exam room furnishings, therapeutic medical beds and bedding, bookcases, displays, mobile office trailers, special use sinks (such as those found in medical offices, beauty shops and restaurants), tables, nonelectronic recreational equipment, filing systems, slat walls, non-freestanding signs, window treatments, uniforms and linens, cooking, baking and eating implements, shopping carts, booths and bars. Other assets may be included at a later time.

Completion of Section B, Page 2: The assets to be reported in this Section include all assets that are not designated for disclosure in another Section. Specifically, such assets

include the following types of machinery and equipment: air compressors, airport ground, non-coin operated amusement rides and devices, auto repair & maintenance, beauty and barber shop, boiler, furnace, bottling & canning, crane and hoist, car wash, chemical processing, construction, unlicensed vehicular, conveyor, non-coin operated dry cleaning and laundry, air makeup and exhaust systems, manufacturing and fabricating, food processing, gym & exercise, heat treating, landscaping, sawmill, incinerators, maintenance and janitorial, nonelectronic medical and dental and laboratory and veterinary equipment, mining and quarrying, mortuary & cemetery, painting, hydrocarbon refining and production and distribution, plastics, pottery & ceramics, printing and newspaper, rubber manufacturing, scales, ski lifts, smelting, stone & clay processing, supermarket, textile, tanning, vehicle mounted, waste containers, wire product manufacturing, woodworking, automated tellers (ATM), computer controlled lighting, CNC controlled manufacturing, theater equipment, restaurant food preparation and dispensing and storing and serving equipment, soft drink fountains, coin counters, beverage container return machines, storage tanks, hand tools of mechanics and trades, nonregistered motor vehicles, freestanding and other safes not assessed as real property, oil and gas field equipment and gathering lines prior to commingling product with other wells (other lines are reported in Section J, Form 3589), portable toilets, metal shipping pallets and containers, portable saw mills, LP tanks under 2,000 gallons, fuel dispensing control consoles, computer-controlled printing presses, stereo lithography apparatus, forklift trucks, non-coin operated gaming apparatus and computerized and mechanical handling equipment, commercial mail sorting operation equipment, pill counters, pram robotics. Other assets may be included at a later time.

Completion of Section C, Page 2: Report the acquisition cost new and the year of acquisition of rental videotapes, rental video games, rental DVD's and rental laser disks owned by you at this location. Other assets may be included at a later time.

Completion of Section D, Page 2: The assets to be reported in this Section include office machines, non-computerized cash registers, faxes, mailing and binding equipment, photography and developing equipment, shredders, projectors, telephone and switchboard systems (even if computerized), audio and video equipment [used for receiving, transmitting, recording, producing and broadcasting], amplifiers, CD, cassette and disc players, speakers, cable television local origination equipment, electronic scales, surveillance equipment, electronic diagnostic and testing equipment (for automotive shops, medical offices, hospitals and dental offices), ophthalmology testing equipment, satellite dishes, video-screen arcade games, electronic testing equipment, electronic laboratory equipment, cellular telephones, medical laser equipment, reverse osmosis and hemodialysis systems, movable dynamometer, spectrum analyzer, security systems, 2-way and mobile land radio equipment, pay-per-view systems, wooden and plastic pallets and shipping containers, rental musical instruments and distributive control systems (see STC Bulletin 3 of 2000). Office machines which **are not** capable of being integrated into a local area or wide area computer network, office machines that are only capable of being used as a facsimile transmitting/receiving machine and/or as a copier, and office machines that are multifunctional but **are not** capable of being used as a computer peripheral, are reported in this Section. A copier is a freestanding or desktop piece of office equipment, which is most commonly used in an office setting, and which is primarily designed to print, or to make copies of short-run text material produced in that office. Copiers generally

use commercially available 8½" by 11" bond or copy paper and produce duplicate originals of text documents in such a way that the use of carbon paper or other duplicating processes can be avoided. Printing presses are not copiers and must be reported in Section B of this form even if the operation of the printing press is regulated or controlled digitally, is controlled by a computer, or is automated. A printing press is a device designed primarily to produce commercial runs of printed material, such as books, pamphlets, forms, magazines, newspapers, or advertising circulars, for commercial sale, regardless of the technology employed in such production and regardless of the type of paper which is used. The definition of a printing press specifically includes any machine that employs an offset or other non-impact printing process, if the machine otherwise meets the definition of a printing press. Cellular site equipment, specifically including communication towers and land improvements must be reported on Form 4452, rather than in this Section. If you are not required to report communication tower and land improvement costs on Form 4452, you must report such costs in Section N of this form. See the instructions for Form 4452. Other assets may be included at a later time.

Completion of Section E, Page 2: The assets to be reported in this Section include consumer coin-operated equipment such as bill & change machines, juke boxes, pin ball machines, coin-operated pool tables and other non-video arcade games, snack & beverage machines, other vending machines, news boxes, laundry equipment, coin operated telephones and slot machines. Other assets may be included at a later time.

Completion of Section F, Page 2: The assets to be reported in this Section include assessable software, personal and midrange and mainframe computer and peripheral equipment, including servers, data storage devices, CPUs, input devices such as scanners and keyboards, output devices such as printers and plotters, monitors, networking equipment, computerized point of sale terminals, global positioning system equipment, lottery ticket terminals, gambling tote equipment, pager instruments, cable television converters and receivers for home satellite dish television systems.

A programmable logic control device for a machine should be reported in Section B with the machine it serves. Office machines which **are** capable of being integrated into a local area or wide area computer network and office machines that are single function, or multifunction, and which **are** capable of being used as a computer peripheral, including copiers that can be used as a computer peripheral, are reported in this Section. Other assets may be included at a later time.

Cost Grand Total, Page 2: After you have completed Sections A through F, add together the totals of cells A1 through F1 to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 2 and carry to page 1, line 10a.

Section G , Page 3: Report all nonexempt tangible personal property owned by you at this location that is not entitled to depreciation/cost recovery under the United States Internal Revenue Code **or** that the assessor has told you to report in this Section **or** that otherwise presents special valuation problems. An example of property not entitled to depreciation/cost recovery is fine art. Examples of properties that represent special valuation problems are: locally-assessed copper and fiber optic cable not reportable in Section M, frequently supplemented professional books, feature motion picture films, audio and video productions not sold to the public at large, musical instruments used for professional performance, LP tanks of 2,000 gallons or more that

have not been assessed as real property, nuclear fuel and toll bridge company structures. Provide all requested information. An inspection of the property may be necessary. Property reported in this Section should not be reported elsewhere on this form.

Section H, Page 3: Standard tools, dies, jigs, fixtures, molds, patterns and gauges and other manufacturing requisites of a similar nature (commonly referred to as “tooling”) will be valued at an amount equal to the net book value of the asset. Report both Acquisition Cost New and GAAP net book value by year of acquisition in this Section. See the instructions for line 1 for information regarding the tooling that is assessable. For purposes of personal property reporting, net book value shall be as determined using generally accepted accounting principles, in a manner consistent with the taxpayer’s established methods of depreciation. The net book value for federal income tax purposes shall not be used for purposes of personal property tax reporting. If an accounting change in estimate is indicated relating to a particular asset, the net book value of that asset, as reported for personal property assessment purposes, shall be the value that would have existed for that asset on December 31, 2019, if a correct estimate had originally been made. Your obligation to implement the change in estimate for personal property reporting purposes shall not be affected by a determination that no financial accounting change in estimate is necessary due to lack of materiality. In no event shall assessable tooling be reported at an amount less than is indicated by its expected remaining useful life plus salvage value (if applicable under the depreciation method used).

Section I, Page 3: Report “qualified personal property” in this Section. Do not report “qualified personal property” in Sections A through F. “Qualified personal property” is property that was made available to you by a “qualified business” (usually a leasing company or a finance company) and which is not assessable to the “qualified business.” Such property is assessable to you as the user. The requirements for “qualified business” treatment are strict and many leasing and financing companies do not qualify. Further, such treatment only applies to property subject to an agreement (usually labeled a lease) entered into after December 31, 1993 that qualifies for treatment as “qualified personal property.” The “qualified business” is required to have filed a statement with the assessor by February 1st of the current year and is required to have made a written agreement with you in which it is **specifically** agreed that you will report the property to the assessor as “qualified personal property.” See MCL 211.8a.

Section J, Page 3: Report all business machines, postage meters, machinery, equipment, furniture, fixtures, tools, burglar alarms, signs and advertising devices and other tangible personal property that you are **renting or leasing** from another person or entity. Provide all of the information requested for each lease. You **must** provide the actual or estimated selling price new of the asset so control totals can be generated for use on the Summary and Certification portion of page 1. MCL 211.13 provides that all tangible personal property shall be assessed to the owner thereof, unless the owner is not known. A personal property statement will be sent to the owner. Property reported in this Section should not be reported elsewhere on this form.

Section K, Page 3: Report all machines, meters, machinery, equipment, furniture, fixtures, tools, signs and advertising devices that are in your possession but are not owned, leased or rented by you. Examples include equipment left with you by vendors, such as display racks, coolers or fountain equipment, property loaned to you by another, property left with you for storage or rebuilding, consigned equipment not held for resale and assets

sold but not yet picked up by the purchaser. Provide all of the information requested for each asset. You **must** provide the actual or estimated selling price new of the asset so that control totals can be generated for use on the Summary and Certification portion of page 1. MCL 211.13 provides that all tangible personal property shall be assessed to the owner thereof, unless the owner is not known. A personal property statement will be sent to the owner.

Cost Grand Total, Page 3: After you have completed Sections G through K, add together the totals of cells G1 through K1 to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 3 and carry to line 11a on page 1.

Section L, Page 4: This Section is to be completed by leasing companies and others who lease personal property to others. In addition to completing this Section, you must complete Sections A through F and any other Sections that are applicable. You may use attachments rather than completing this Section, but only if your attachment provides all the information requested on this Section and if you insert the total original selling price where required on the form.

Section M, Page 4: This Section is to be completed by tenants who are renting or leasing real property. All improvements (leasehold improvements) you have made to the real property should be reported, even if you believe that the improvements are not subject to assessment as personal property. Provide as much detail as possible so that the assessor can determine whether a personal property assessment should be made. Coaxial and/or fiber-optic wiring costs and associated infrastructure of audio and/or visual systems serving subscribers of one or more multiple unit dwellings or temporary habitations under common ownership, and which do not use public rights-of-way shall be reported in this Section and be clearly identified as such. You may use attachments, but only if your attachment provides all the information requested in this Section and if you insert the Total Cost Incurred where required on the form. See the instructions for page 1, line 5 for additional explanation.

Section N, Page 4: Report the total capitalized cost and year of construction of buildings and other structures you have placed on land not owned by you, such as leased or public lands or on public rights-of-way. Costs of freestanding communications towers and associated equipment buildings (unless such costs have been reported on Form 4452) and costs of freestanding billboards are examples of other structures that are to be reported. The reported cost must include all costs capitalized on your records. See STC Bulletin 8 of 2007.

Section O, Page 4: Landlords and tenants must provide rental information relating to lease arrangements to which they are a party. Do not report lease or rental arrangements relating to property occupied for residential purposes. If you are a landlord with multiple properties, contact the assessor to arrange an acceptable alternative reporting method. See instructions for page 1, line 5.

Cost Grand Total, Page 4: After you have completed Sections M and N, add together the totals of cells M1 and N1 to arrive at a Cost Grand Total. Insert the Cost Grand Total in the box indicated at the bottom of page 4 and carry to line 12a on page 1.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: November 13, 2019
TO: State Tax Commission
FROM: David A. Buick, Executive Director
SUBJECT: Pipeline Economic Factor

In 2010, the State Tax Commission approved an economic factor for ANR Pipeline and Mid-Michigan Gas Storage. Those factors began for the 2011 year at 65% and moved in increments of 5% down to 50% for the 2014 year. We discussed a possible factor for Great Lakes Gas Transmission and determined at that point, a factor was not indicated for Great Lakes Gas Transmission.

In 2013, the Commission approved a 40% economic factor for the 2014 Great Lakes Gas Transmission and amended the prior factor adopted in 2014 for ANR Pipeline and Mid-Michigan Gas Storage to 40%. The Commission adopted the same factors for the 2015 - 2019 years. In 2018 staff received a request for and the Commission approved the same 40% factor Northern Natural Gas Company, which transports natural gas from Texas and Oklahoma to the upper Midwest.

After consulting with representatives from the pipeline companies and further review of available data, staff recommends the Commission adopt the same factor again (40%) for the 2020 year for ANR Pipeline, Mid-Michigan Gas Storage, Great Lakes Gas Transmission and Northern Natural Gas Company.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

DATE: November 13, 2019

TO: Assessing Officers and County Equalization Directors

FROM: State Tax Commission

SUBJECT: Multipliers for Valuation of Free-Standing Communication Towers

The State Tax Commission recommends that, subject to the qualifications stated below, communication towers should be valued for the 2020 assessment year using the table of **historical** (original cost when the tower was new) cost valuation multipliers set forth in the multiplier table below. These multipliers have been developed in a manner such that they account for the typical depreciation which is expected for a tower of the indicated age and also account for changes in the cost of the tower and erecting it that have occurred since the time the tower was constructed. On this basis, the multiplier table which is shown below is intended to predict the current true cash value of a tower of the vintage year in which the tower was constructed. An important component in determining the current value of a tower built in a given year is the change in the cost of materials, particularly changes in the cost of steel, between the time of construction and the current tax day. Since the table considers both depreciation and changes in construction costs, and since changes in construction cost have not always occurred at a constant rate, the multiplier table does not always evidence a decline in the rate by which the historical cost must be adjusted in order to determine current value. This effect is expected and can be better understood if one remembers that the multiplier table is not a depreciation table and the multipliers are applied to the historic cost of construction, not to the current replacement cost.

Communication towers are real property. When a communication tower is built on land owned by the owner of the tower, the tower is valued and assessed as a real property improvement to the land on which it is located. When a communication tower is built on leased land, the owner is required to report the original construction cost of the tower on Section N of its personal property statement, in the same way that it would report any other structure on leased land. Although the construction costs are reported on the personal property statement, a tower on leased land is not assessed on the personal property assessment roll. Instead, the assessor is required to establish a separate real property assessment for a tower located on leased land, using the procedures set forth in State Tax Commission Bulletin 8 of 2002 and State Tax Commission Bulletin 1 of 2003.

Please note: Sometimes communication towers are located on land that is exempt because the land is owned by an exempt entity such as a municipality or is otherwise exempt. When this occurs, the tower must be assessed to the tower owner on the real property roll as a structure on leased land. IN

ADDITION, the assessor must also consider whether the land should also be assessed to the tower owner as provided by MCL 211.181.

There may be situations where the value of a particular freestanding communication tower is more or less than the figure developed by using this table. This could be due to unusual depreciation (physical deterioration and/or obsolescence) or an unusual enhancement in value caused by supply and demand factors in a particular area.

Property Statement for Communication Towers (Form 3594) is to be used for reporting the costs of freestanding communication towers. This form was developed for the specific purpose of gathering construction cost information for communication towers. The assessor may use this form to gather detailed information regarding the construction costs of communication towers. This cost information can then be used as a basis for valuation by multiplying the historic cost by the appropriate multiplier from the table located below.

Please note the following:

- The preferred method for valuing freestanding communication towers is using original cost new multiplied by the appropriate multiplier from the following table.
- In some cases historical/original cost may be unobtainable. Those cases may require using the Assessor's Manual cost new multiplied by the Assessor's Manual depreciation table multiplier.
- Do not apply the Assessor's Manual depreciation table multipliers to the historical/original cost of a tower
- Do not apply the communication tower multipliers from the following table to the Manual cost new of a tower.

Form 3594 is a real property statement and, as such, the taxpayer is not required to complete and submit the form to the assessor unless the taxpayer is specifically asked to do so. If a communication tower is located on leased land, the owner should already be reporting its original acquisition costs on Section N of the personal property statement (Form 632 (L-4175)). If so, the assessor would only need to send Form 3594 if more detailed information regarding costs is needed. The assessor IS NOT REQUIRED TO SEND Form 3594 to tower owners each year. The following table applies to both guyed and self-supporting communication towers.

HISTORICAL (ORIGINAL) COST VALUATION MULTIPLIERS FOR USE IN 2020 ASSESSMENTS OF FREESTANDING COMMUNICATIONS TOWERS

YEAR OF CONSTRUCTION	MULTIPLIER	YEAR OF CONSTRUCTION	MULTIPLIER
2019	0.97	1999	0.90
2018	0.97	1998	0.89
2017	0.96	1997	0.90
2016	0.94	1996	0.88
2015	0.91	1995	0.89
2014	0.89	1994	0.87

YEAR OF CONSTRUCTION	MULTIPLIER	YEAR OF CONSTRUCTION	MULTIPLIER
2013	0.88	1993	0.89
2012	0.87	1992	0.88
2011	0.87	1991	0.84
2010	0.81	1990	0.82
2009	0.82	1989	0.82
2008	0.82	1988	0.85
2007	0.84	1987	0.83
2006	0.86	1986	0.79
2005	0.90	1985	0.80
2004	0.94	1984	0.82
2003	0.94	1983	0.84
2002	0.92	1982	0.88
2001	0.90	1981	0.93
2000	0.90	1980 and prior	1.02



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

DATE: October 10, 2019

TO: State Tax Commission

VIA: David A. Buick, Executive Director to the State Tax Commission

CC: Sean Mulchay, Central Office Operations

FROM: Darcy Marusich, Property Analyst

SUBJECT: State Assessed Utility Roll Credit Application – Great Lakes Central Railroad Inc.

Staff Recommendation: Deny Credit Request

Great Lakes Central Railroad Inc., parcel 98-00-00-00-000-021, is a state assessed railroad company. The representative for the company completed and submitted the company's required annual report (Form 1028) online for the State Assessed Utility Roll before the statutory due date of March 31, 2019 (MCL 207.6). The Annual Report submission did not include an application for company maintenance of rights of way credit or maintenance of rolling stock credit against taxes due.

Michigan Compiled Law 207.13a(3) directs that a company can apply for credit by submitting the prescribed form approved by the State Tax Commission (hereafter "STC"). The STC approved Form 1028, the 2019 *Annual Property Report* for railroads at their meeting on August 21, 2018 (see attached copy of Form 1028).

Following the STC approval of the final State Assessed Utility Roll and subsequent tax bill mailing, the company representative contacted Treasury staff on October 8, 2019 to request an opportunity to file an amended Form 1028, with updated applications for tax credits relating to maintenance and improvement of rights of way and maintenance and improvement of qualified rolling stock. The amount of credit requested is \$2,030,640. This would reduce the tax due from \$89,201.81 to \$0.00.

Since Great Lakes Central Railroad Inc. did not submit the statutorily required credit application contained in Form 1028 by the March 31, 2019 deadline, Staff believes the STC lacks authority to accept the request for credit and recommends to the STC that it deny the company's request.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

DATE: October 10, 2019

TO: State Tax Commission

VIA: David A. Buick, Executive Director to the State Tax Commission

CC: Sean Mulchay, Central Office Operations

FROM: Darcy Marusich, Property Analyst

SUBJECT: State Assessed Utility Roll Credit Application – Citicorp Railmark, Inc.

Staff Recommendation: Deny Credit Request

Citicorp Railmark, Inc., parcel 97-00-00-00-000-093, is a state assessed car line company. The representative for the company completed and submitted the company's required annual report (Form 1027) online for the State Assessed Utility Roll before the statutory due date of March 31, 2019 (MCL 207.6). The company representative submitted a revised annual report on April 22, 2019. Neither the initial submission of the Annual Report nor the revised submission included an application for company maintenance and improvement of rolling stock credit against taxes due.

Michigan Compiled Law 207.13a(3) directs that a company can apply for credit by submitting the prescribed form approved by the State Tax Commission (hereafter "STC"). The STC approved Form 1027, the 2019 *Annual Property Report* for car lines at their meeting on August 21, 2018 (see attached copy of Form 1027).

Following the STC approval of the final State Assessed Utility Roll and subsequent tax bill mailing, the company representative contacted Treasury staff on July 10, 2019 to inquire about obtaining their rolling stock credit against the tax due for the tax bill they received. The amount of credit requested is \$67.58. This would reduce the tax due from \$1,199.15 to \$1,131.57.

Since Citicorp Railmark, Inc. did not submit the statutorily required credit application contained in Form 1027 by the March 31, 2019 deadline, Staff believes the STC lacks authority to accept the request for credit and recommends to the STC that it deny the company's request.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

DATE: October 10, 2019

TO: State Tax Commission

VIA: David A. Buick, Executive Director to the State Tax Commission

CC: Sean Mulchay, Central Office Operations

FROM: Darcy Marusich, Property Analyst

SUBJECT: State Assessed Utility Roll Credit Application – Greenbrier Management Services, LLC

Staff Recommendation: Deny Credit Request

Greenbrier Management Services, LLC, parcel 97-00-00-00-000-200, is a state assessed car line company. The representative for the company did not complete and submit the company's required annual report (Form 1027) online for the State Assessed Utility Roll before the statutory due date of March 31, 2019 (MCL 207.6). The company representative submitted a report on April 22, 2019. The delinquent submission did not include an application for company maintenance and improvement of rolling stock credit against taxes due.

Michigan Compiled Law 207.13a(3) directs that a company can apply for credit by submitting the prescribed form approved by the State Tax Commission (hereafter "STC"). The STC approved Form 1027, the 2019 *Annual Property Report* for car lines at their meeting on August 21, 2018 (see attached copy of Form 1027).

Following the STC approval of the final State Assessed Utility Roll and subsequent tax bill mailing, the company representative contacted Treasury staff on July 10, 2019 to inquire about obtaining the rolling stock credit against the tax due for the tax bill they received. The amount of credit requested is \$10,331.11. This would reduce the tax due from \$82,869.10 to \$72,537.99.

Since Greenbrier Management Services, LLC did not submit the statutorily required credit application contained in Form 1027 by the March 31, 2019 deadline, Staff believes the STC lacks authority to accept the request for credit and recommends to the STC that it deny the company's request.

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION
OFFICIAL ORDER**

FINDINGS OF FACT

Whereas, the State Tax Commission at its meeting on November 20, 2019 received a report and recommendation from the Assessor Discipline Advisory Committee regarding John Ulrich, MCAO and

Whereas, the State Tax Commission received a complaint regarding John Ulrich alleging that he had engaged in inappropriate assessing practices while he was the assessor of record for Republic Township, Marquette County, and

Whereas, John Ulrich was referred to the Assessor Discipline Advisory Committee in accordance with the State Tax Commission Complaint Process Regarding Assessment Administration Practices, and

Whereas, John Ulrich appeared before the Assessor Discipline Advisory Committee on October 30, 2019 and did not provide adequate justification for the errors that had occurred.

CONCLUSIONS OF LAW

THEREFORE be it resolved that the State Tax Commission based on the facts of the case stated in the Consent Agreement provided and the recommendation of the Assessor Discipline Advisory Committee, has determined that John Ulrich has engaged in potentially inappropriate assessing practices which may be in violation of Michigan Administrative Code R 209.155, specifically pertaining to malfeasance, misfeasance and nonfeasance of duties imposed by law or rule; and

BE IT FURTHER RESOLVED that the State Tax Commission may, based on the facts of a case, decide upon any action between issuance of a certificate in assessment administration and suspension or revocation of a certificate in assessment administration; and

BE IT FURTHER RESOLVED that the State Tax Commission orders that John Ulrich be referred to the Michigan Office of Administrative Hearings and Rules (MOAHR) for a formal hearing regarding potential violations of Michigan Administrative Code R 209.155, specifically pertaining to malfeasance, misfeasance and nonfeasance of duties imposed by law or rule, upon the further conditions of the Consent Agreement.

BE IT FURTHER RESOLVED that based on the conditions of the Consent Agreement, the recommendation for MOAHR formal hearing will be held in abeyance and the State Tax Commission will allow John Ulrich to complete the Michigan Certified

Assessing Officer (MCAO) program to be provided free of charge by the State Tax Commission; and

BE IT FURTHER RESOLVED that upon successful completion of the MCAO program, which includes timely submission of all assignments and passing the exam, John Ulrich shall reappear before the Assessor Discipline Advisory Committee; and

BE IT FURTHER RESOLVED that failure to fully participate in and successfully complete the MCAO program will automatically result in a referral to MOAHR for formal hearing.

The authority for the actions required by this Official Order is found Section 10d of Act 206 of the Public Acts of 1893, as amended, being Michigan Compiled Law 211.10d and Executive Order 2009-51.

WITNESS, my hand and seal of the State Tax Commission this 20th day of November, A.D. 2019.



Nick A. Khouri, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

I hereby certify that this is a true copy of the Order of the State Tax Commission on file in the State Tax Commission Office as provided In Act 147, P.A. 1960

David A. Buick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION**

CONSENT AGREEMENT

The Assessor Discipline Advisory Committee and Assessor John Ulrich (MCAO) have reached an agreement to resolve the allegations of improper assessment administration practices filed against Mr. Ulrich. As a result, John Ulrich agrees to hold in abeyance the recommendation to proceed to the Michigan Office of Administrative Hearings and Rules (MOAHR) for a formal hearing for further disciplinary action under the following terms:

1. John Ulrich agrees to fully participate in and successfully complete the Michigan Certified Assessing Officer (MCAO) program, which includes timely submission of all assignments and passing the exam. The MCAO program will begin in January 2020 and will be provided free of charge by the State Tax Commission.
2. Upon successful completion of the MCAO program, John Ulrich shall reappear before the Assessor Discipline Advisory Committee.
3. John Ulrich agrees and acknowledges that failure to fully participate in and successfully complete the MCAO program will automatically result in a referral to MOAHR for formal hearing.
4. The State Tax Commission has the right to take any further action if John Ulrich fails to comply with the above terms or further complaints are received regarding misfeasance, nonfeasance or malfeasance of assessing duties.

This Consent Agreement contains the entire agreement between the Assessor Discipline Advisory Committee and John Ulrich and addresses all discipline matters pending before the Assessor Discipline Advisory Committee on October 30, 2019.

Respectfully submitted,

Dated: 11-13-19



David A. Buick, Executive Director
State Tax Commission

Dated: 11-7-2019



John Ulrich, Assessor (MCAO)

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION**

OFFICIAL ORDER

Whereas, on June 6, 2017 the State Tax Commission assumed jurisdiction of the Franklin Township, Lenawee County 2017 assessment roll pursuant to the provisions of the General Property Tax Act, being PA 206 of 1893, being sections 211.1 through 211.157 of the Michigan Compiled Laws, and

Whereas, the State Tax Commission staff completed a review of the roll and found their values to be certifiable and

Whereas, the staff requests the State Tax Commission certify the 2017 assessed and taxable valuations as listed:

2017 Assessed Valuations – Franklin Township, Lenawee County

Agricultural Real Property:	\$ 44,241,500
Commercial Real Property:	\$ 7,625,400
Industrial Real Property:	\$ 274,600
Residential Real Property:	\$ 127,857,943
Timber Cutover Real Property:	\$ 0
Developmental Real Property:	\$ 1,800
 Total Real Property:	 \$ 180,001,243
Total Personal Property:	\$ 4,010,438
 Total Real & Personal Property:	 \$ 184,011,681

2017 Taxable Valuations – Franklin Township, Lenawee County

Agricultural Real Property	\$ 18,126,721
Commercial Real Property	\$ 7,274,560
Industrial Real Property	\$ 274,600
Residential Real Property	\$ 114,281,577
Timber Cut-Over Real Property	\$ 0
Developmental Real Property	\$ 1,800
 Total Real Property	 \$ 139,959,258
Total Personal Property	\$ 4,010,438
 Total Real and Personal Property	 \$ 143,969,696

NOW THEREFORE, it is ordered that the 2017 assessed and taxable valuations recommended by staff become the official assessed and taxable valuations for the year 2017.

Further, it is ordered that jurisdiction of the 2017 assessment roll be returned to Franklin Township, Lenawee County without prejudice and without cost.

The authority for the actions required by this Official Order is found in the General Property Tax Act, as amended by 1986, Public Act 223, being sections 211.1 through 211.157 of the Michigan Compiled Laws.

WITNESS, my hand and seal of the State Tax Commission this 20th day of November, A.D., 2019.



Nick A. Khouri, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

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David A. Buick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION**

OFFICIAL ORDER

Whereas, on June 6, 2017 the State Tax Commission assumed jurisdiction of the Tecumseh Township, Lenawee County 2017 assessment roll pursuant to the provisions of the General Property Tax Act, being PA 206 of 1893, being sections 211.1 through 211.157 of the Michigan Compiled Laws, and

Whereas, the State Tax Commission staff completed a review of the roll and found their values to be certifiable and

Whereas, the staff requests the State Tax Commission certify the 2017 assessed and taxable valuations as listed:

2017 Assessed Valuations – Tecumseh Township, Lenawee County

Agricultural Real Property:	\$	10,185,600
Commercial Real Property:	\$	5,463,600
Industrial Real Property:	\$	187,200
Residential Real Property:	\$	74,390,400
Timber Cutover Real Property:	\$	0
Developmental Real Property:	\$	0
 Total Real Property:	 \$	 90,226,800
Total Personal Property:	\$	3,259,900
 Total Real & Personal Property:	 \$	 93,486,700

2017 Taxable Valuations – Tecumseh Township, Lenawee County

Agricultural Real Property	\$	4,496,388
Commercial Real Property	\$	4,896,368
Industrial Real Property	\$	185,562
Residential Real Property	\$	62,727,523
Timber Cut-Over Real Property	\$	0
Developmental Real Property	\$	0
 Total Real Property	 \$	 72,305,841
Total Personal Property	\$	3,259,900
 Total Real and Personal Property	 \$	 75,565,741

NOW THEREFORE, it is ordered that the 2017 assessed and taxable valuations recommended by staff become the official assessed and taxable valuations for the year 2017.

Further, it is ordered that jurisdiction of the 2017 assessment roll be returned to Tecumseh Township, Lenawee County without prejudice and without cost.

The authority for the actions required by this Official Order is found in the General Property Tax Act, as amended by 1986, Public Act 223, being sections 211.1 through 211.157 of the Michigan Compiled Laws.

WITNESS, my hand and seal of the State Tax Commission this 20th day of November, A.D., 2019.



Nick A. Khouri, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

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David A. Buick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION**

OFFICIAL ORDER

Whereas, on November 20, 2018 the State Tax Commission assumed jurisdiction of the Sandstone Township, Jackson County 2018 assessment roll pursuant to the provisions of the General Property Tax Act, being PA 206 of 1893, being sections 211.1 through 211.157 of the Michigan Compiled Laws, and

Whereas, the State Tax Commission staff completed a review of the roll and found their values to be certifiable and

Whereas, the staff requests the State Tax Commission certify the 2018 assessed and taxable valuations as listed:

2018 Assessed Valuations – Sandstone Township, Jackson County

Agricultural Real Property:	\$ 28,635,000
Commercial Real Property:	\$ 6,678,900
Industrial Real Property:	\$ 13,292,500
Residential Real Property:	\$ 101,634,480
Timber Cutover Real Property:	\$ 0
Developmental Real Property:	\$ 0
 Total Real Property:	 \$ 150,240,880
Total Personal Property:	\$ 13,023,100
 Total Real & Personal Property:	 \$ 163,263,980

2018 Taxable Valuations – Sandstone Township, Jackson County

Agricultural Real Property	\$ 15,258,244
Commercial Real Property	\$ 5,280,078
Industrial Real Property	\$ 11,956,292
Residential Real Property	\$ 90,214,551
Timber Cut-Over Real Property	\$ 0
Developmental Real Property	\$ 0
 Total Real Property	 \$ 122,709,165
Total Personal Property	\$ 13,023,100
 Total Real and Personal Property	 \$ 135,732,265

NOW THEREFORE, it is ordered that the 2018 assessed and taxable valuations recommended by staff become the official assessed and taxable valuations for the year 2018.

Further, it is ordered that jurisdiction of the 2018 assessment roll be returned to Sandstone Township, Jackson County without prejudice and without cost.

The authority for the actions required by this Official Order is found in the General Property Tax Act, as amended by 1986, Public Act 223, being sections 211.1 through 211.157 of the Michigan Compiled Laws.

WITNESS, my hand and seal of the State Tax Commission this 20th day of November, A.D., 2019.



Nick A. Khouri, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

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David A. Buick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION**

OFFICIAL ORDER

Whereas, on November 20, 2018 the State Tax Commission assumed jurisdiction of the Springport Township, Jackson County 2018 assessment roll pursuant to the provisions of the General Property Tax Act, being PA 206 of 1893, being sections 211.1 through 211.157 of the Michigan Compiled Laws, and

Whereas, the State Tax Commission staff completed a review of the roll and found their values to be certifiable and

Whereas, staff identified an error in the 2018 Assessed Value of parcel 900-01-38-600-002-00, classified as Utility Personal Property. The 2018 Assessed Value was set at \$30,007,900 instead of being set at the correct value of \$15,804,469 in order to match the Taxable Value and

Whereas, the staff requests the State Tax Commission certify the 2018 assessed and taxable valuations as listed:

2018 Assessed Valuations – Springport Township, Jackson County

Agricultural Real Property:	\$	37,661,900
Commercial Real Property:	\$	2,248,600
Industrial Real Property:	\$	1,001,065
Residential Real Property:	\$	31,169,891
Timber Cutover Real Property:	\$	0
Developmental Real Property:	\$	0
 Total Real Property:	 \$	 72,081,456
Total Personal Property:	\$	20,704,069
 Total Real & Personal Property:	 \$	 92,785,525

2018 Taxable Valuations – Springport Township, Jackson County

Agricultural Real Property	\$	15,724,760
Commercial Real Property	\$	1,549,277
Industrial Real Property	\$	607,411
Residential Real Property	\$	27,064,976
Timber Cut-Over Real Property	\$	0
Developmental Real Property	\$	0
 Total Real Property	 \$	 44,946,424
Total Personal Property	\$	20,704,069

Total Real and Personal Property \$ 65,650,493

NOW THEREFORE, it is ordered that the 2018 assessed and taxable valuations recommended by staff become the official assessed and taxable valuations for the year 2018.

Further, it is ordered that the 2018 Assessed Value of parcel 900-01-38-600-002-00 be corrected to \$15,804,469 to match the 2018 Taxable Value.

Further, it is ordered that jurisdiction of the 2018 assessment roll be returned to Springport Township, Jackson County without prejudice and without cost.

The authority for the actions required by this Official Order is found in the General Property Tax Act, as amended by 1986, Public Act 223, being sections 211.1 through 211.157 of the Michigan Compiled Laws.

WITNESS, my hand and seal of the State Tax Commission this 20th day of November, A.D., 2019.



Nick A. Khouri, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

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David A. Buick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION**

OFFICIAL ORDER

Whereas, on June 5, 2018 the State Tax Commission assumed jurisdiction of the Monroe Township, Newaygo County 2018 assessment roll pursuant to the provisions of the General Property Tax Act, being PA 206 of 1893, being sections 211.1 through 211.157 of the Michigan Compiled Laws, and

Whereas, the State Tax Commission staff completed a review of the roll and found their values to be certifiable and

Whereas, the staff requests the State Tax Commission certify the 2018 assessed and taxable valuations as listed:

2018 Assessed Valuations – Monroe Township, Newaygo County

Agricultural Real Property:	\$	1,069,000
Commercial Real Property:	\$	0
Industrial Real Property:	\$	7,300
Residential Real Property:	\$	16,674,500
Timber Cutover Real Property:	\$	0
Developmental Real Property:	\$	0
 Total Real Property:	 \$	 17,750,800
Total Personal Property:	\$	542,362
 Total Real & Personal Property:	 \$	 18,293,162

2018 Taxable Valuations – Monroe Township, Newaygo County

Agricultural Real Property	\$	542,386
Commercial Real Property	\$	0
Industrial Real Property	\$	5,777
Residential Real Property	\$	12,073,954
Timber Cut-Over Real Property	\$	0
Developmental Real Property	\$	0
 Total Real Property	 \$	 12,622,117
Total Personal Property	\$	542,362
 Total Real and Personal Property	 \$	 13,164,479

NOW THEREFORE, it is ordered that the 2018 assessed and taxable valuations recommended by staff become the official assessed and taxable valuations for the year 2018.

Further, it is ordered that jurisdiction of the 2018 assessment roll be returned to Monroe Township, Newaygo County without prejudice and without cost.

The authority for the actions required by this Official Order is found in the General Property Tax Act, as amended by 1986, Public Act 223, being sections 211.1 through 211.157 of the Michigan Compiled Laws.

WITNESS, my hand and seal of the State Tax Commission this 20th day of November, A.D., 2019.



Nick A. Khouri, Chairperson

W. Howard Morris, Member

Leonard D. Kutschman, Member

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David A. Buick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION**

OFFICIAL ORDER

Whereas, the State Tax Commission at its meeting on November 20, 2019 received a report regarding Manlius Township, Allegan County and

Whereas, the staff report indicated that the Township underwent an AMAR Review in 2013 which indicated the Township had several deficiencies. The Township underwent follow up reviews in 2015 and 2016 that indicated the deficiencies had not been corrected and,

Whereas, on October 18, 2016 the State Tax Commission assumed jurisdiction of the 2016 assessment roll and ordered the Township to hire an outside party to correct the deficiencies and to complete that work for 2017. On April 17, 2017, after another failed follow up review, the State Tax Commission assumed jurisdiction of the 2017 assessment roll and ordered the Township to hire an outside party to correct the deficiencies and to complete that work for 2018 and,

Whereas, in July of 2018, the Township underwent a full AMAR review which indicated: The Township did not have proper ECF studies, did not have proper Land Value Maps, did not have proper Land Value Determinations, was not properly processing the Small Business Taxpayer Exemption, did not have proper Poverty Exemption Guidelines or asset level test, was not properly granting exemptions, had improper actions approved at the July and December Board of Reviews, and did not have a resolution to waive interest and penalty for failure to file a Property Transfer Affidavit and,

Whereas, in August of 2018, the Township provided a corrective action plan to correct the deficiencies for the 2019 assessment roll. In September of 2019, a follow up review indicated that a majority of the deficiencies had not been corrected. The Township was provided notice of a recommendation to assume jurisdiction and provided 21 days to provide a response for consideration by the State Tax Commission and the Township provided a corrective action plan and,

Whereas, Michigan Compiled Law 211.10f(1) provides that "If a local assessing district does not have an assessment roll that has been certified by a qualified certified assessing officer, or if a certified assessor or a board of review for a local tax collecting unit is not in substantial compliance with the provisions of this act, the state tax commission shall assume jurisdiction over the assessment roll and provide for the preparation of a certified roll. The commission may order the county tax or equalization department to prepare the roll; may provide for the use of state employees to prepare the roll; or may order

the local assessing unit to contract with a commercial appraisal firm to conduct an appraisal of the property in the assessing unit under the supervision of the county tax or equalization department and the commission. The costs of an appraisal and the preparation of the roll by the county tax or equalization department or by the commission shall be paid by the local assessing district as provided by section 10d (Michigan Compiled Law 211.10d). The commission shall consider the quality of the tax maps and appraisal records required by section 10e (Michigan Compiled Law 211.10e) as part of its investigation of the facts before ordering the local assessing unit to contract for an appraisal.”

NOW THEREFORE, in the best interest of equitable property tax administration, the State Tax Commission hereby assumes jurisdiction of the 2019 ad valorem assessment roll of Manlius Township, Allegan County.

Further, the Commission orders that Manlius Township hire an outside party to fix the deficiencies noted in the roll and to complete that work for the 2020 assessment roll.

Further, the Commission orders that a bill shall be sent to Manlius Township, Allegan County covering the time and expenses incurred by the State Tax Commission for implementation of this order.

The authority for the actions required by this Official Order is found in the General Property Tax Act, as amended by 1986, Public Act 223, being sections 211.1 through 211.157 of the Michigan Compiled Laws.

WITNESS, my hand and seal of the State Tax Commission this 20th day of November, A.D. 2019.



Nick A. Khouri, Chairperson

W. Howard Morris, Member

Leonard Kutschman, Member

I hereby certify that this is a true copy of the Order of the State Tax Commission on file in The State Tax Commission Office as provided In Act 147, P.A. 1960.

David Buick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION**

OFFICIAL ORDER

Whereas, the State Tax Commission at its meeting on November 20, 2019 received a report regarding Rapid River Township, Kalkaska County and

Whereas, the staff report indicated that the Township underwent an AMAR Review in 2016 which indicated: The Township was not properly using Board of Review forms, did not have Economic Condition Factor studies, did not have proper land value maps, did not have documented Land Value Determinations, had flat land values without reason, and had a record card accuracy rating of 84% and

Whereas, in January of 2017, after receiving a corrective action plan from the Township a letter was sent to the Township accepting their corrective action plan, and stated that a follow up review would take place after the completion of the 2018 assessment roll and,

Whereas, the Township underwent a follow up review in September of 2018 and none of the deficiencies had been corrected and

Whereas, on September 14, 2018 a letter was sent to the Township indicating that a recommendation would be made to the State Tax Commission to assume jurisdiction of the 2018 assessment roll. After a response was received by the State, the Township was provided additional time to correct the deficiencies noted in the review and,

Whereas, on July 30, 2019 a follow up review was conducted that found the assessor was not able to locate Board of Review forms, did not have proper ECF studies, and did not have proper Land Value Determinations and,

Whereas, the Township was provided notice of a recommendation to assume jurisdiction and provided 21 days to provide a response for consideration by the State Tax Commission and no written response was received and

Whereas, Michigan Compiled Law 211.10f(1) provides that "If a local assessing district does not have an assessment roll that has been certified by a qualified certified assessing officer, or if a certified assessor or a board of review for a local tax collecting unit is not in substantial compliance with the provisions of this act, the state tax commission shall assume jurisdiction over the assessment roll and provide for the preparation of a certified roll. The commission may order the county tax or equalization department to prepare the roll; may provide for the use of state employees to prepare the roll; or may order

the local assessing unit to contract with a commercial appraisal firm to conduct an appraisal of the property in the assessing unit under the supervision of the county tax or equalization department and the commission. The costs of an appraisal and the preparation of the roll by the county tax or equalization department or by the commission shall be paid by the local assessing district as provided by section 10d (Michigan Compiled Law 211.10d). The commission shall consider the quality of the tax maps and appraisal records required by section 10e (Michigan Compiled Law 211.10e) as part of its investigation of the facts before ordering the local assessing unit to contract for an appraisal.”

NOW THEREFORE, in the best interest of equitable property tax administration, the State Tax Commission hereby assumes jurisdiction of the 2019 ad valorem assessment roll of Rapid River Township, Kalkaska County.

Further, the Commission orders that Rapid River Township hire an outside party to fix the deficiencies noted in the roll and to complete that work for the 2020 assessment roll.

Further, the Commission orders that a bill shall be sent to Rapid River Township, Kalkaska County covering the time and expenses incurred by the State Tax Commission for implementation of this order.

The authority for the actions required by this Official Order is found in the General Property Tax Act, as amended by 1986, Public Act 223, being sections 211.1 through 211.157 of the Michigan Compiled Laws.

WITNESS, my hand and seal of the State Tax Commission this 20th day of November, A.D. 2019.



Nick A. Khouri, Chairperson

W. Howard Morris, Member

Leonard Kutschman, Member

I hereby certify that this is a true copy of the Order of the State Tax Commission on file in The State Tax Commission Office as provided In Act 147, P.A. 1960.

David Buick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION**

OFFICIAL ORDER

Whereas, the State Tax Commission at its meeting on November 20, 2019 received a report regarding Harris Township, Menominee County and

Whereas, the staff report indicated that the Township underwent an AMAR Review in 2015 which indicated: the Township did not have documented economic condition factors for any property classifications, they had no land value maps, they had no land value determinations, they had 20 flat land values with no reason, they had an 81% record card accuracy and they had 73 transfer that were not uncapped and

Whereas, the Township underwent a follow up review in July of 2017 that indicated: ECF's were not properly calculated or applied for residential or agricultural properties, there were no commercial or industrial ECF's, there were no land value determinations, the land value maps still did not meet the requirements and there were 21 sales not uncapped and

Whereas, a follow up review in September of 2018 indicated that none of the deficiencies had been corrected and in November of 2018 the State Tax Commission assumed jurisdiction of the 2018 assessment roll and ordered the Township to hire an outside party to fix the deficiencies and to complete that work for the 2019 assessment roll and

Whereas, the Township underwent a follow up review in July of 2019 which indicated the ECF and land studies were not properly calculated nor did they reconcile to the factors loaded into the database and

Whereas, the Township was provided notice of a recommendation to assume jurisdiction and provided 21 days to provide a response for consideration by the State Tax Commission and the response indicated the Township was making efforts to correct the deficiencies and

Whereas, Michigan Compiled Law 211.10f(1) provides that "If a local assessing district does not have an assessment roll that has been certified by a qualified certified assessing officer, or if a certified assessor or a board of review for a local tax collecting unit is not in substantial compliance with the provisions of this act, the state tax commission shall assume jurisdiction over the assessment roll and provide for the preparation of a certified roll. The commission may order the county tax or equalization department to prepare the roll; may provide for the use of state employees to prepare the roll; or may order the local assessing unit to contract with a commercial appraisal firm to conduct

an appraisal of the property in the assessing unit under the supervision of the county tax or equalization department and the commission. The costs of an appraisal and the preparation of the roll by the county tax or equalization department or by the commission shall be paid by the local assessing district as provided by section 10d (Michigan Compiled Law 211.10d). The commission shall consider the quality of the tax maps and appraisal records required by section 10e (Michigan Compiled Law 211.10e) as part of its investigation of the facts before ordering the local assessing unit to contract for an appraisal.”

NOW THEREFORE, in the best interest of equitable property tax administration, the State Tax Commission hereby assumes jurisdiction of the 2019 ad valorem assessment roll of Harris Township, Menominee County.

Further, the Commission orders that Harris Township hire an outside party to fix the deficiencies noted in the roll and to complete that work for the 2020 assessment roll.

Further, the Commission orders that a bill shall be sent to Harris Township, Menominee County covering the time and expenses incurred by the State Tax Commission for implementation of this order.

The authority for the actions required by this Official Order is found in the General Property Tax Act, as amended by 1986, Public Act 223, being sections 211.1 through 211.157 of the Michigan Compiled Laws.

WITNESS, my hand and seal of the State Tax Commission this 20th day of November, A.D. 2019.



Nick A. Khouri, Chairperson

W. Howard Morris, Member

Leonard Kutschman, Member

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David Buick, Executive Director

**STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF TREASURY
STATE TAX COMMISSION**

OFFICIAL ORDER

Whereas, the State Tax Commission at its meeting on November 20, 2019 received a report regarding Rose Lake Township, Osceola County and

Whereas, the staff report indicated that the Township underwent an AMAR Review in 2017 which indicated: The Township had insufficient Board of Review minutes, did not have proper Economic Condition Factor studies, had land adjustments without reason, and a record card accuracy rating of 85% and

Whereas, in December of 2017, after receiving a corrective action plan from the Township a letter was sent to the Township accepting their corrective action plan, and stated that a follow up review would take place after the completion of the 2018 assessment roll and,

Whereas, the Township underwent a follow up review in September of 2018 and no information was provided by the Township and

Whereas, on September 21, 2018 a letter was sent to the Township indicating that a recommendation would be made to the State Tax Commission to assume jurisdiction of the 2018 assessment roll. After a response was received by the State, the Township was provided additional time to correct the deficiencies noted in the review and,

Whereas, on June 25, 2019 a follow up review was conducted that found none of the deficiencies had been corrected and

Whereas, the Township was provided notice of a recommendation to assume jurisdiction and provided 21 days to provide a response for consideration by the State Tax Commission and the response indicated the Township was making efforts to correct the deficiencies and

Whereas, Michigan Compiled Law 211.10f(1) provides that "If a local assessing district does not have an assessment roll that has been certified by a qualified certified assessing officer, or if a certified assessor or a board of review for a local tax collecting unit is not in substantial compliance with the provisions of this act, the state tax commission shall assume jurisdiction over the assessment roll and provide for the preparation of a certified roll. The commission may order the county tax or equalization department to prepare the roll; may provide for the use of state employees to prepare the roll; or may order the local assessing unit to contract with a commercial appraisal firm to conduct an appraisal of the property in the assessing unit under the supervision of the

county tax or equalization department and the commission. The costs of an appraisal and the preparation of the roll by the county tax or equalization department or by the commission shall be paid by the local assessing district as provided by section 10d (Michigan Compiled Law 211.10d). The commission shall consider the quality of the tax maps and appraisal records required by section 10e (Michigan Compiled Law 211.10e) as part of its investigation of the facts before ordering the local assessing unit to contract for an appraisal.”

NOW THEREFORE, in the best interest of equitable property tax administration, the State Tax Commission hereby assumes jurisdiction of the 2019 ad valorem assessment roll of Rose Lake Township, Osceola County.

Further, the Commission orders that Rose Lake Township hire an outside party to fix the deficiencies noted in the roll and to complete that work for the 2020 assessment roll.

Further, the Commission orders that a bill shall be sent to Rose Lake Township, Osceola County covering the time and expenses incurred by the State Tax Commission for implementation of this order.

The authority for the actions required by this Official Order is found in the General Property Tax Act, as amended by 1986, Public Act 223, being sections 211.1 through 211.157 of the Michigan Compiled Laws.

WITNESS, my hand and seal of the State Tax Commission this 20th day of November, A.D. 2019.



Nick A. Khouri, Chairperson

W. Howard Morris, Member

Leonard Kutschman, Member

I hereby certify that this is a true copy of the
Order of the State Tax Commission on file in
The State Tax Commission Office as provided
In Act 147, P.A. 1960.

David Buick, Executive Director



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RACHAEL EUBANKS
STATE TREASURER

DATE: November 20, 2019

TO: Members of the State Tax Commission

FROM: Emily Leik, Departmental Analyst

SUBJECT: Charitable Nonprofit Housing Organization Exemption

Public Act 456 of 2014 allows for an exemption from the collection of taxes under the General Property Tax Act, Public Act 206 of 1893, for charitable nonprofit housing organizations that own eligible nonprofit housing property. According to the Act, the State Tax Commission shall grant or deny the exemption after consultation with the State Treasurer or designee.

Enclosed is a list of various Habitat for Humanity County Organizations. All applications included in the attached list were reviewed by State Tax Commission staff, are determined to comply with the statutory requirements of Public Act 456 of 2014 and qualify for exemption.

It is recommended that you approve the applications effective on December 31, 2019 for the 2020 tax year, for either a period of three (3) or five (5) years with an expiration date of December 30, 2022 or December 30, 2024, or until one of the following events occurs:

1. The eligible nonprofit housing property is occupied by a low-income person under a lease agreement, or
2. The eligible nonprofit housing property is transferred by the charitable nonprofit housing organization.

State Tax Commission
Applications for Exemption of Charitable Nonprofit Housing Property MCL 211.7kk
November 20, 2019 Meeting

Application Number	Name of Charitable Organization	Unit	Unit Type	County	Parcel Number	Years Approved
19-027	Habitat for Humanity Oakland County	Pontiac	City	Oakland	14-33-454-043	3 years
19-028	Habitat for Humanity Oakland County	Pontiac	City	Oakland	14-32-433-007	3 years
19-029	Habitat for Humanity Oakland County	Southfield	City	Oakland	24-13-176-013	3 years
19-040	Habitat for Humanity Huron Valley	Ypsilanti	Township	Washtenaw	K-11-15-116-017	3 years
19-042	Tri-Cities Area Habitat for Humanity, Inc.	Grand Haven	City	Ottawa	70-03-28-475-023	5 years
19-043	Tri-Cities Area Habitat for Humanity, Inc.	Ferrysburg	City	Ottawa	70-03-16-100-037 (parent) v/l #2 Lane Avenue	5 years
19-044	Tri-Cities Area Habitat for Humanity, Inc.	Ferrysburg	City	Ottawa	70-03-16-100-037 (parent) v/l #1 Ridge Avenue	5 years
19-045	Cheboygan County Habitat for Humanity	Benton	Township	Cheboygan	105-040-000-007-00	5 years
19-046	Cheboygan County Habitat for Humanity	Tuscarora	Township	Cheboygan	161-152-000-020-00	5 years
19-047	Manistee County Habitat for Humanity	Manistee	Township	Manistee	51-37-250-016-00 & 51-37-250-017-00	5 years
19-048	Habitat for Humanity Huron Valley	Ypsilanti	Township	Washtenaw	K-11-11-362-032	3 years
19-049	Wexford Osceola Habitat for Humanity	Cherry Grove	Township	Wexford	2110-ZLMS-57	5 years
19-057	Kalamazoo Valley Habitat for Humanity	Portage	City	Kalamazoo	06481-108-0	5 years
19-058	Kalamazoo Valley Habitat for Humanity	Kalamazoo	Township	Kalamazoo	06-13-117-092	3 years
19-059	Kalamazoo Valley Habitat for Humanity	Kalamazoo	Township	Kalamazoo	06-13-118-080	5 years
19-060	Kalamazoo Valley Habitat for Humanity	Kalamazoo	City	Kalamazoo	06-14-401-022	5 years
19-061	Kalamazoo Valley Habitat for Humanity	Kalamazoo	City	Kalamazoo	06-14-339-113	5 years
19-062	Kalamazoo Valley Habitat for Humanity	Richland	Township	Kalamazoo	3903-08-201-031	5 years
19-063	Kalamazoo Valley Habitat for Humanity	Kalamazoo	City	Kalamazoo	06-14-268-002	5 years
19-064	Kalamazoo Valley Habitat for Humanity	Kalamazoo	City	Kalamazoo	06-26-442-058	5 years
19-065	Kalamazoo Valley Habitat for Humanity	Kalamazoo	City	Kalamazoo	06-14-186-040	5 years
19-066	Kalamazoo Valley Habitat for Humanity	Gun Plain	Township	Allegan	03-08-280-015-00	5 years
19-067	Kalamazoo Valley Habitat for Humanity	Kalamazoo	City	Kalamazoo	06-21-231-003	5 years
19-068	LINC UP Nonprofit Housing Corporation	Grand Rapids	City	Kent	41-18-06-126-016	3 years
19-069	LINC UP Nonprofit Housing Corporation	Grand Rapids	City	Kent	41-14-31-433-001	5 years
19-070	Habitat for Humanity - Grand Traverse Region	Whitewater	Township	Grand Traverse	28-13-611-004-00	5 years